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LEGISLATIVE HISTORY

Public Law 962 84th Congress

Chapter 933 2nd Session

S. 3903

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INDEX AND SUMMARY OF S. 3903

May 21, 1956	Senator Ellender introduced S 3903, which was referred to Senate Committee on Agriculture and Forestry. Print of bill as introduced and referred.
June 12, 1956	Rep. Cooley introduced H. R. 11708, which was referred to House Committee on Agriculture. Print of bill as introduced and referred.
June 18, 1956	House Agriculture Committee reported H. R. 11708 without amendment. H. Rept. 2380. Print of bill as reported and H. Rept. 2380.
June 20, 1956	Senate Committee ordered S. 3903 reported with amendment.
June 22, 1956	Senate Committee reported S. 3903 with amendment. S. Rept. 2290. Print of bill as reported and Senate Rept. 2290.
July 2, 1956	Senate made S. 3903 unfinished business.
July 3, 1956	Senate passed S. 3903 with amendments.
July 12, 1956	House Rules Committee reported resolution for consideration of H. R. 11708. H. Res. 590, H. Rept. 2701. Print of H. Res 590 and H. Rept 2701.
July 18, 1956	House passed S. 3903 with amendment. (Language of H. R. 11708).
July 19, 1956	Senate appointed conferees on S. 3903.
July 20, 1956	House appointed conferees. House agreed to file report.
July 24, 1956	House received conference report. H. Rept, 2903. Print of Conference Report.
July 25, 1956	Both House and Senate agreed to conference report.
Aug. 3, 1956	Approved: Public Law 962- 84th Congress.

DIGEST OF PUBLIC LAW 962

AMENDMENTS TO AGRICULTURAL TRADE DEVELOPMENT AND ASSISTANCE ACT (approved August 3, 1956). Amends this Act to increase the maximum amount authorized to be appropriated to reimburse the Commodity Credit Corporation for commodities disposed of and costs incurred under Title I of the Act, from \$1.5 billion to \$3.0 billion. Extends section 104 of the Act to provide assistance to activities and projects authorized by section 203 of the U. S. Information and Education Act of 1948. Exempts the sale of fruit and fruit products under Title I of the Act from the requirements of the cargo preference laws. Amends Title II of the Act to permit the transfer of surplus agricultural commodities abroad for "extra-ordinary" relief requirements in addition to the "urgent" relief requirements presently authorized.

84TH CONGRESS
2D SESSION

S. 3903

IN THE SENATE OF THE UNITED STATES

MAY 21 (legislative day, MARCH 7), 1956

Mr. ELLENDER (By Request) introduced the following bill; which was read twice and referred to the Committee on Agriculture and Forestry.

A BILL

To amend the Agricultural Trade Development and Assistance Act of 1954, as amended, so as to increase the amount authorized to be appropriated for purposes of Title I of the Act, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That section 103 (b) of the Agricultural Trade Development
4 and Assistance Act of 1954, as amended (Public Law 480,
5 83d Congress), is amended by striking out "\$1,500,000,-
6 000" and inserting in lieu thereof "\$3,000,000,000".

7 SEC. 2. Section 104 (h) of the Act is amended by
8 inserting the following language immediately before the
9 period at the end of the section:

“and for the providing of assistance to activities and projects authorized by section 203 of the United States Information and Educational Exchange Act of 1948, as amended (22 U. S. C. 1448)”

SEC. 3. Section 304 of the Act is hereby repealed.

84TH CONGRESS
2D SESSION

S. 3903

A BILL

To amend the Agricultural Trade Development and Assistance Act of 1954, as amended, so as to increase the amount authorized to be appropriated for purposes of Title I of the Act, and for other purposes.

By Mr. ELLENDER (By Request)

MAY 21 (legislative day, MARCH 7), 1956

Read twice and referred to the Committee on Agriculture and Forestry

11708

H. R. 11708

IN THE HOUSE OF REPRESENTATIVES

January 1908

Mr. [Name] introduced the following bill, which was read twice and referred to the Committee on [Name]

A BILL

To amend the [Name] Code for [Name] and [Name]
[Name] [Name] [Name] [Name] [Name] [Name]
[Name] [Name] [Name] [Name] [Name] [Name]
[Name] [Name] [Name] [Name] [Name] [Name]
[Name] [Name] [Name] [Name] [Name] [Name]

18

- (1) ...
- (2) ...
- (3) ...
- (4) ...
- (5) ...

A BILL

...

...

...

84TH CONGRESS
2D SESSION

H. R. 11708

IN THE HOUSE OF REPRESENTATIVES

JUNE 12, 1956

Mr. COOLEY introduced the following bill; which was referred to the Committee on Agriculture

A BILL

To amend the Agricultural Trade Development and Assistance Act of 1954, as amended, so as to increase the amount authorized to be appropriated for purposes of title I of the Act, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 That section 103 (b) of the Agricultural Trade Develop-
4 ment and Assistance Act of 1954, as amended (Public Law
5 480, Eighty-third Congress), is amended by striking out
6 “\$1,500,000,000” and inserting in lieu thereof “\$3,000,-
7 000,000”.

8 SEC. 2. Section 104 (h) of the Act is amended by in-
9 serting the following language immediately before the period

1 at the end of the section: "and for the providing of assistance
2 to activities and projects authorized by section 203 of the
3 United States Information and Educational Exchange Act
4 of 1948, as amended (22 U. S. C. 1448)".

5 SEC. 3. Section 304 of the Act is amended to read as
6 follows:

7 "SEC. 304. (a) The President shall exercise the author-
8 ity contained in title I of this Act (1) to assist friendly
9 nations to be independent of trade with the Union of Soviet
10 Socialist Republics and with nations dominated or controlled
11 by the Union of Soviet Socialist Republics and (2) to assure
12 that agricultural commodities sold or transferred thereunder
13 do not result in increased availability of those or like com-
14 modities to unfriendly nations.

15 "(b) Nothing in this Act shall be construed as author-
16 izing transactions under title I or title III with the Union
17 of Soviet Socialist Republics or Communist China or North
18 Korea."

A BILL

To amend the Agricultural Trade Development and Assistance Act of 1954, as amended, so as to increase the amount authorized to be appropriated for purposes of title I of the Act, and for other purposes.

By Mr. COOLEY

JUNE 12, 1956

Referred to the Committee on Agriculture

A BILL

to amend the Act of August 1, 1906, entitled "An Act to provide for the collection of the duties on certain goods imported from the Hawaiian Islands," and for other purposes.

BEFORE

THE

COMMITTEE ON WAYS AND MEANS OF THE HOUSE OF REPRESENTATIVES

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued
For actions of

June 19, 1956
June 18, 1956
84th-2nd, No. 100

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HIGHLIGHTS: House agreed to conference report on bill adjusting certain taxes on livestock. Ready for President. House Rules Committee cleared farm loan bill. House passed bill further defining dry milk solids. House passed bill extending Federal Seed Act to Guam. House committee reported bill to increase Public Law 480 authorization. ~~House committee reported on June 15, revised housing bill.~~ Senate committee ordered reported mutual security bill. Senate passed bill for purchase of (continued on page 6)

HOUSE

1. SURPLUS COMMODITIES. The Agriculture Committee reported without amendment H. R. 11708, to amend the Agricultural Trade Development and Assistance Act of 1954, as amended, so as to increase from \$1,500,000,000 to \$3,000,000,000 the amount for purposes of title I of the Act, to authorize assistance to American-sponsored schools abroad, and to amend the provision against agreements with communist-dominated countries (H. Rept. 2380). p. 9493
2. HOUSING; FARM LOANS. On June 15, during recess, the Banking and Currency Committee reported without amendment H. R. 11742, the housing bill (H. Rept. 2363). The bill includes provisions to continue for 5 years the farm housing authorization under title V of the Housing Act of 1949 and to direct PHA to transfer farm-labor camps without monetary consideration to any public housing authority whose area of operation includes such project. The committee report criticizes this Department for not effectuating the farm-housing authorization in the Housing Act. p. 9492
3. FARM LOANS. The Rules Committee reported a resolution for the consideration of H. R. 11544, to improve and simplify the credit facilities available to farmers and to amend the Bankhead-Jones Farm Tenant Act. pp. 9457, 9492

4. APPROPRIATIONS. Conferees were appointed on H. R. 11319, the public works appropriation bill for 1957. The bill includes funds for Tennessee Valley Authority, Southeastern Power Administration, Southwestern Power Administration, Bonneville Power Administration, Bureau of Reclamation, and Army flood control. p. 9453 Senate conferees were appointed on June 13.
5. TAXATION. Agreed to the conference report on H. R. 6143, to treat, for tax purposes, as an involuntary conversion the sale of livestock because of drought. p. 9453 This bill is now ready for the President.
6. MILK. Passed under suspension of the rules, S. 1614, to define non-fat dry milk under the Federal Food, Drug, and Cosmetic Act; and H. R. 5257, a similar bill, was laid on the table. pp. 9472, 9457
7. FISHERIES. The Fisheries and Wildlife Conservation Subcommittee of the Merchant Marine and Fisheries Committee ordered reported, on June 15, to the full committee H. R. 11570, to establish a sound and comprehensive national policy with respect to fisheries and wildlife and to create within the Interior Department, the office of Undersecretary of Fish and Wildlife. p. D640
8. GUAM. Passed without amendment H. R. 11522, to provide for the extension of certain provisions of Federal laws, including the Federal Seed Act, the Vocational Rehabilitation Act, and wildlife restoration authorities, to Guam. p. 9459
9. RECORDS. At the request of Rep. Ford, passed over without prejudice S. 2364, to clarify GSA authority over records management. p. 9457
10. MINING. Passed as reported H. R. 6501, to permit the disposal of certain reserve mineral deposits under the U. S. mining laws. p. 9457
11. FORESTRY. Passed without amendment H. R. 9974, to authorize the cutting of timber, the manufacture and sale of lumber, and the preservation of the forests on the Menominee Indian Reservation in Wis. p. 9466
12. CONTRACTS; BUILDINGS. The Judiciary Committee, on June 15, reported with amendment S. 1644, to prescribe policy, improve existing procedure and practices in connection with the letting of lump-sum, Federal construction contracts, and place the awarding of such contracts on a more efficient basis (H. Rept. 2362). p. 9492
13. DAYLIGHT-SAVING TIME. The Judiciary Subcommittee of the D. C. Committee ordered reported to the full committee S. 3295, authorizing the extension of daylight-saving time in D. C. to the last Sunday in October. p. D639

SENATE

14. FOREIGN AID. The Foreign Relations Committee ordered reported with amendments H. R. 11356, the mutual security program for 1957. p. D635
Sen. Jackson and others questioned some of the provisions of the mutual security program. p. 9437
15. FORESTRY. Passed as reported S. 3132, to provide for the purchase of lands within the Cache National Forest, Utah. Agreed to a committee amendment providing that funds appropriated shall be matched by donations of lands or funds by local agencies, organizations, or persons. p. 9417

AMENDMENTS TO PUBLIC LAW 480, 83D CONGRESS

JUNE 18, 1956.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. COOLEY, from the Committee on Agriculture, submitted the following

R E P O R T

[To accompany H. R. 11708]

The Committee on Agriculture, to whom was referred the bill (H. R. 11708) to amend the Agricultural Trade Development and Assistance Act of 1954, as amended, so as to increase the amount authorized to be appropriated for purposes of title I of the act, and for other purposes, having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

STATEMENT

The purpose of this bill is to amend in three respects the provisions of the Agricultural Trade Development and Assistance Act of 1954, commonly referred to as Public Law 480. This is the law which authorizes the sale of agricultural surpluses for foreign currencies, where such sales are in addition to the usual purchases of such commodity by the foreign country. The law also authorizes an augmented program of bartering surplus agricultural commodities for strategic materials and other goods needed by the United States. The bill would amend the law in three respects:

(1) By increasing from \$1.5 billion to \$3 billion the total amount of the foreign currency transactions which may be carried out under the law;

(2) Authorize use of some of the foreign currency received from the sale of surplus commodities for support of American schools abroad;

(3) Permit barter transactions, but not sales for foreign currency, with Russian satellite countries.

Hearings were held on H. R. 11403, H. R. 11443, and H. R. 11480. The bills were introduced pursuant to an executive communication from the Secretary of Agriculture to the Speaker of the House of

Representatives dated May 17, 1956, and recommending enactment of such legislation. The executive communication and the bills introduced pursuant thereto recommended the repeal of section 304 of the act, relating to dealings with the satellite countries. Rather than repealing the section, the committee has modified the language thereof and the bill reported herewith is a clean bill embodying language adopted by the committee.

SALES FOR FOREIGN CURRENCY

Public Law 480 was approved July 10, 1954, with an original limitation on such sales of \$750 million. In August 1955, this limitation was increased to \$1,500 million and this amount has now been committed. The committee is informed that additional agreements totaling several hundred million dollars are being held up at the present time awaiting additional authorization.

Following are some of the highlights of the program involving sales of our agricultural surpluses for foreign currency under title I of the act.

Since the beginning of the program, 59 agreements have been signed with 27 countries for the sale of agricultural commodities totaling \$1,509 million at Commodity Credit Corporation cost. An estimated shortfall in procurement of \$47 million is expected, reducing the estimated net obligation to \$1,468 million. More than half of this amount has been covered by agreements entered into during the last 6 months.

In terms of quantity, agreements signed to date represent almost 7.1 million metric tons of commodities. By June 30, 4.4 million tons of this total will have been exported, leaving 2.7 million tons to move during the coming months. There has been a lag in cotton shipments, but these should accelerate when the new cotton export price policy becomes fully operative.

There are included in agreements signed to date 158 million bushels of wheat, 57 million bushels of feed grains, 10 million hundredweight of rice, 1.7 million bales of cotton, 124 million pounds of tobacco, 1 billion pounds of fats and oils, 90 million pounds of dairy products, 82 million pounds of fruit and vegetables, 75 million pounds of meat products, and other commodities.

These commodities are paid for by foreign countries in their own currencies. Payments are based on United States export prices rather than on CCC investment and costs. For example, wheat might cost a foreign buyer \$1.70 per bushel but the CCC investment in the wheat could be as much as \$3.10 per bushel. On this basis the total foreign currency payments due the United States Government under agreements signed to date total \$1,041 million.

About 31.4 percent of this total will be used for purpose directly beneficial to the United States, including the payment of our obligations that would otherwise be paid in dollars, the purchase of strategic materials, financing of agricultural market development programs abroad, and financing international educational exchange programs.

About \$73 million worth of foreign currency has been programed to construct United States military family housing abroad. Construction is well advanced in the United Kingdom on 1,500 units which will cost \$15 million, and these are expected to be completed by the end of the current year. The Defense Department will reimburse the

Commodity Credit Corporation for the cost of the housing from its quarters allowances. Other countries in which military family housing will be erected include Spain, Japan, French Morocco, Greece, Libya, and Italy.

Funds in this category are being used to pay United States military base construction costs in Turkey, Spain, and other countries. They are also being used to pay United States Embassy costs in many countries. These uses return dollars to the Commodity Credit Corporation.

A total of about \$19 million in foreign currency has been obligated for agricultural market development projects in 24 countries. These are projects designed to promote increased use of our agricultural commodities. Projects undertaken in this area include a cotton promotion program in cooperation with the National Cotton Council, tobacco promotion with three United States associations, wheat promotion with the Oregon Wheat League, etc. Private cooperating United States and foreign-trade groups are making financial contributions to these programs.

About 2.3 percent of the proceeds is being used to purchase goods for third countries. These purchases generally supplement those which are possible with United States foreign-aid funds. However, if the goods are donated to the third country, the CCC will be reimbursed from foreign-aid funds.

About 16.7 percent is being used on a grant basis to build up the armed strength of such countries as Korea, Pakistan, and Iran. In most cases if these grants were not made, it would be necessary to increase appropriations for military aid.

About 0.7 percent of the total proceeds is being used as a grant for economic development. The grant has been made in only one case—Greece, which had a very serious earthquake in April of 1955. In order to show the expression of sympathy of all the people of the United States for those who suffered from this catastrophe, the United States Government agreed that \$7.5 million worth of drachmas are to be used to help finance rebuilding and repair of housing in the devastated areas.

About 48.9 percent of the total proceeds of \$1,041 million is scheduled to be loaned to recipient countries to promote multilateral trade and economic development. Up to this time agreements have been concluded with 7 countries providing for local currency loans equivalent to about \$105 million. Additional loan agreements are being negotiated. The loans are made for periods of 10 to 40 years, and are usually denominated in dollars in order to protect the United States against devaluation of the currencies. The loans may be repaid in strategic materials, services, foreign currencies or dollars. In the event the foreign country elects to repay in its own currencies, these may be used to meet any expenses of the United States Government in the country.

The following tables show in detail the agreements which have been made under title I of Public Law 480, the value and the quantity of the commodities involved in sales for foreign currency, and the planned use of the currencies obtained from such sales.

TABLE I.—*Agreements signed from beginning of program*

[In thousands of dollars]

Country	Date signed	Market value excluding ocean trans- portation	Ocean trans- portation	CCC cost, including ocean trans- portation
1. Turkey.....	Nov. 15, 1954	\$18,917	\$5,517	\$35,086
2. Yugoslavia.....	Jan. 5, 1955	37,990	6,214	66,018
3. Pakistan.....	Jan. 18, 1955	28,084	1,316	39,082
4. Chile.....	Jan. 27, 1955	4,600	407	7,686
5. Peru.....	Feb. 7, 1955	3,250	380	6,255
6. Spain.....	Apr. 20, 1955	19,316	1,684	25,009
7. Argentina.....	Apr. 25, 1955	5,670	130	8,721
8. Turkey (amendment).....	Apr. 28, 1955	4,144	427	6,121
9. Israel.....	Apr. 29, 1955	7,848	822	13,255
10. Finland.....	May 6, 1955	5,114	136	5,250
11. Yugoslavia (amendment).....	May 12, 1955	6,523	1,309	13,384
12. Italy.....	May 23, 1955	48,200	1,800	71,708
13. Japan.....	May 31, 1955	79,026	5,974	111,266
14. Korea.....	do.....	14,015	985	15,000
15. United Kingdom.....	June 7, 1955	15,000	205	15,205
16. Austria.....	June 14, 1955	5,500	584	8,256
17. Israel (amendment).....	June 15, 1955	3,652	678	7,312
18. Thailand.....	June 21, 1955	1,900	100	2,000
19. Colombia.....	June 23, 1955	4,900	400	7,072
20. Greece.....	June 24, 1955	5,400	647	8,665
21. Do.....	do.....	7,573	772	12,711
22. Peru (amendment).....	June 25, 1955	3,400	400	6,259
Subtotal as of June 30, 1955.....		330,022	30,887	491,321
23. France.....	Aug. 11, 1955	650	0	650
24. Peru (amendment).....	Sept. 20, 1955	3,000	320	3,320
25. Yugoslavia (amendment).....	Oct. 1, 1955	17,900	4,260	42,168
26. Ecuador.....	Oct. 7, 1955	3,750	270	5,280
27. Spain (amendment).....	Oct. 20, 1955	10,000	622	10,622
28. Israel.....	Nov. 10, 1955	14,740	2,300	26,868
29. Brazil.....	Nov. 16, 1955	37,150	4,680	77,955
30. Egypt.....	Dec. 14, 1955	4,818	782	10,682
31. Colombia.....	Dec. 20, 1955	10,900	700	17,054
32. Argentina.....	Dec. 21, 1955	24,700	600	25,300
33. Germany.....	Dec. 23, 1955	1,200	0	1,200
34. Finland (amendment).....	Jan. 12, 1956	500	50	980
35. Yugoslavia (amendment).....	Jan. 19, 1956	42,600	6,400	77,869
36. Spain (amendment).....	Jan. 21, 1956	15,000	1,100	16,100
37. Israel (amendment).....	Jan. 31, 1956	900	0	1,760
38. Austria.....	Feb. 7, 1956	20,800	1,650	33,515
39. Burma.....	Feb. 8, 1956	20,800	900	31,200
40. Egypt (amendment).....	do.....	4,900	700	11,216
41. Israel (amendment).....	Feb. 10, 1956	10,000	0	10,000
42. Egypt (amendment).....	Feb. 17, 1956	7,348	1,052	16,825
43. Greece (amendment).....	do.....	5,867	233	6,100
44. Iran.....	Feb. 20, 1956	11,300	916	19,938
45. Pakistan.....	Mar. 2, 1956	15,000	1,900	30,746
46. Indonesia.....	do.....	91,800	4,900	152,969
47. Spain.....	Mar. 5, 1956	60,000	4,800	79,096
48. Turkey.....	Mar. 12, 1956	3,700	300	4,000
49. Korea.....	Mar. 13, 1956	39,700	4,100	59,674
50. Chile.....	do.....	32,500	2,100	45,437
51. Spanish-Swiss.....	Mar. 20, 1956	4,607	393	9,430
52. Finland (amendment).....	Mar. 26, 1956	12,100	1,000	18,702
53. Finland (amendment).....	Apr. 26, 1956	2,900	465	6,718
54. Paraguay.....	May 2, 1956	2,600	400	5,170
55. Peru.....	May 7, 1956	2,470	310	5,420
56. Turkey (amendment).....	May 11, 1956	9,700	1,400	20,200
57. Portugal.....	May 24, 1956	6,300	800	13,400
58. Japan.....	Feb. 10, 1956 ¹	59,900	5,900	108,300
59. United Kingdom.....	June 5, 1956	12,000		12,000
Subtotal, July 1, 1955, through June 5, 1956.....		624,100	56,300	1,017,864
Total, all agreements signed through June 5, 1956.....		954,122	87,190	1,509,185
Estimated shortfall.....				47,000
Estimated net obligation.....				1,462,185

¹ Effective May 29, 1956.

TABLE II.—Commodity composition of programs under title I, Public Law 480 agreements signed through June 5, 1956

[In millions of dollars]

Country	Wheat	Feed grains	Rice	Cotton	Tobacco	Dairy products	Fats and oils	Other	Market value	Ocean transportation	Market value including overseas transportation ¹	CCC cost including overseas transportation ¹
Argentina.....									\$30.4	\$0.7	\$31.1	\$34.0
Austria.....	\$3.4	\$10.6		\$6.1	\$3.5		\$30.4		26.3	2.2	28.5	41.8
Brazil.....	32.1	3.0			.2		2.4		37.1	4.7	41.8	78.0
Burma.....				17.5	1.1	\$2.0	1.8		20.8	.9	21.7	31.2
Chile.....	8.4			5.3	.2	1.0	16.0	\$6.2	37.1	2.5	39.6	53.1
Colombia.....	5.0			7.6		.7	2.5		15.8	1.1	16.9	24.1
Ecuador.....	1.1			.9			1.5		3.7	.3	4.0	5.3
Egypt.....	17.1								17.1	2.5	19.6	38.7
Finland.....	6.0	1.1		5.8	6.0	.5		\$1.2	20.6	1.7	22.3	31.6
France.....					.7				.7		.7	.7
Germany.....									1.2		1.2	1.2
Greece.....	6.0	2.4				2.5	8.0	\$1.2	18.9	1.6	20.5	27.5
Indonesia.....	5.0		\$35.8	36.0	15.0				91.8	4.9	96.7	153.0
Iran.....	3.9								11.3		12.2	19.9
Israel.....	11.1	6.4		2.6	.4	6.0	1.4		37.1	.9	38.0	59.2
Italy.....	1.6	3.0		35.9	3.2	3.3	2.9	\$10.3	48.2	3.8	50.9	71.7
Japan.....	49.7	14.3	14.4	52.8	7.7		4.5		138.9	1.8	150.8	219.5
Korea.....	6.4	11.5		17.2	6.6	1.0	3.0	\$8.0	53.7	5.1	58.8	74.7
Pakistan.....			15.0	21.5	3.3	2.3	1.0		43.1	3.2	46.3	69.8
Paraguay.....	1.7					.4	.5		2.6	.4	3.0	5.2
Peru.....	8.9					.2	3.0		12.1	1.4	13.5	21.2
Portugal.....	6.3								6.3	.8	7.1	13.4
Spain.....	74.6	5.7		33.2	4.2		58.5	\$2.7	108.9	8.6	117.5	140.2
Thailand.....					1.9				1.9	.1	2.0	2.0
Turkey.....	13.4	12.7	1.4				8.9		36.4	7.7	44.1	65.4
United Kingdom.....					27.0				27.0	.2	27.2	27.2
Yugoslavia.....	76.1			18.1			10.8		106.0	18.1	123.1	199.4
Total agreements.....	267.8	70.7	66.7	260.5	81.2	19.9	157.1	30.1	954.0	87.1	1,041.1	1,509.0
Estimated shortfall.....												47.0
Estimated net obligation.....												1,462.0

¹ Includes only ocean transportation to be financed by CCC.² Fruit.³ Hay and pasture seeds \$2,500,000; frozen beef \$3,700,000.⁴ Poultry.⁵ Dry edible beans, \$300,000; cblled or frozen beef, \$10,000,000.⁶ Canned pork.⁷ Wheat to be sold to Spain for resale to Switzerland for financing procurement of Swiss goods by Spain.⁸ Hams \$1,000,000; potatoes \$1,400,000; cotton linters \$300,000.

TABLE III.—Approximate quantities of commodities under agreements signed through June 5, 1956, title I, Public Law 480

Country	Wheat (1,000 bushels)	Feed grains (1,000 bushels) ¹	Rice (1,000 hundred- weight)	Cotton (1,000 bales) ²	Tobacco (1,000 pounds)	Dairy products (1,000 pounds) ³	Fats and oils (1,000 pounds) ⁴	Poultry (1,000 pounds)	Dry edible beans (1,000 hundred- weight)	Fruit and vegetables (1,000 pounds)	Meat (1,000 pounds)	Hay and pasture seeds (1,000 hundred- weight)
Argentina.....	2,025	7,091		42.5	5,900		220,000					
Austria.....	18,995	2,205			100		\$ 16,552			\$ 2,084		
Brazil.....				125.0	1,500	14,385	\$ 11,000					
Burma.....	4,927			37.6	300	9,900				\$ 2,350		
Colombia.....	2,612			48.3		3,307	\$ 105,562				7 13, 214	
Ecuador.....	2,560			6.6	323		14,141					55
Egypt.....	10,329						13,629					
Finland.....	3,557	750		36.1	9,990	1,163				\$ 11,000		
France.....					867			3,000				
Germany.....	3,479	2,366				21,264	44,986					
Greece.....	2,894		5,516	257.2	23,000							
Indonesia.....	2,120					11,708	5,773					
Iran.....	6,426	6,082	7	15.5	550	10,793	18,450		37		7 40,000	
Israel.....	948	1,923		253.8	4,000		33,322					
Italy.....	30,754	12,227	2,111	308.6	9,629							
Japan.....	4,122	10,000	2,300	102.7	14,000	10,000	20,000				7 21,000	
Korea.....				141.3	3,650	4,000	8,274					
Pakistan.....	990					3,086	\$ 3,105					
Paraguay.....	5,040					621	22,000					
Peru.....	3,753											
Portugal.....	2,446	3,594		2 239.6	7,573		\$ 340,293				7 1,640	
Spain.....					2,700							
Thailand.....												
Turkey.....	7,784	10,532	215		39,489		59,657					
United Kingdom.....	44,120			114.4								
Yugoslavia.....							87,964					
Total agreements.....	157,881	56,770	10,149	1,729.2	123,571	90,227	1,025,008	3,000	37	82,101	75,854	55

¹ Note following:

	Thousand bushels
Corn.....	18,662
Oats.....	4,751
Barley.....	27,862
Grain sorghums.....	5,795
Total.....	56,770

² Includes 16,700 bales cotton lintens for Spain.

³ Note following:

	Thousand pounds
Nonfat dry milk.....	36,219
Evaporated milk.....	23,535
Butter.....	11,367
Cheese.....	2,679
Butter oil and/or ghee.....	10,426
Ghee.....	4,000
Whey.....	2,001
Total.....	90,227

⁴ Note following:

	Thousand pounds
Cottonseed oil.....	202,781
Cottonseed oil and/or soybean oil.....	302,463
Cottonseed oil, soybean oil and/or lard.....	344,194
Linseed oil.....	8,800
Lard.....	131,014
Tallow and/or grease.....	35,786

Total.....

1,025,008

⁵ Entire quantity shown for country is lard except Chile, Paraguay, and Spain which includes lard as follows:

	Thousand pounds
Chile.....	3,357
Paraguay.....	1,279
Spain.....	10,862

⁶ Austria, canned fruit and fruit juices, 450,000 pounds; dried fruit, 1,634,000 pounds; Burma, dried fruit; Finland, dried fruit; Spain, potatoes.

⁷ Israel and Chile, chilled or frozen beef; Korea, canned pork; Spain, canned hams.

⁸ Wheat to be sold to Spain for resale to Switzerland for financing procurement of Swiss goods by Spain.

TABLE IV.—Planned uses of foreign currency under title I, Public Law 480 agreements signed through June 5, 1956¹

Country	[In millions of dollars]							
	Total amount programmed (market value including overseas transportation)	Market development (104a)	Purchase of strategic material (104b)	Payment of United States obligations (104f) ²	International education exchange (104h)	Total United States uses (104a, b, f, and h) ³	Military procurement (104c)	Purchase of goods for other countries (104d)
Argentina.....	\$31.1	\$0.5	-----	\$8.9	\$0.7	\$10.1	-----	-----
Austria.....	\$25.5	.7	\$0.8	8.5	.2	10.2	-----	-----
Brazil.....	\$41.8	.7	2.8	5.5	.9	21.7	-----	\$1.0
Burma.....	21.7	-----	-----	21.7	-----	21.7	-----	2.0
Chile.....	39.6	.8	-----	6.5	.6	7.9	-----	-----
Colombia.....	16.9	.8	1.0	4.1	.5	6.4	-----	.5
Costa Rica.....	4.0	.2	-----	4.5	-----	.9	-----	-----
Egypt.....	19.6	1.0	-----	2.0	1.0	4.0	-----	2.0
Finland.....	22.3	.2	-----	21.8	.3	22.3	-----	-----
France.....	7	.6	-----	.1	-----	.7	-----	-----
Germany.....	1.2	1.1	-----	3.0	-----	1.2	-----	-----
Greece.....	\$20.5	.5	-----	3.9	-----	4.4	-----	-----
Indonesia.....	96.7	1.0	2.0	16.0	.3	19.3	-----	\$7.5
Iran.....	\$12.2	.2	-----	3.3	.2	3.7	5.9	-----
Israel.....	40.9	.4	-----	8.2	.4	9.0	-----	3.1
Italy.....	50.0	1.7	1.0	12.7	-----	15.4	-----	4.6
Japan.....	150.8	3.3	-----	17.6	2.1	23.0	8.1	10.9
Korea.....	58.8	.5	-----	12.9	-----	13.4	45.4	-----
Pakistan.....	46.3	1.6	-----	6.3	-----	7.9	25.9	-----
Paraguay.....	3.0	.2	-----	.5	.1	.8	-----	-----
Peru.....	13.5	.7	-----	2.5	.6	3.8	-----	-----
Portugal.....	7.1	.3	-----	2.9	.5	3.7	-----	-----
Spain.....	117.5	2.0	1.0	46.2	1.0	50.2	-----	-----
Thailand.....	2.0	.2	-----	1.0	-----	1.2	-----	-----
Turkey.....	44.1	.7	-----	21.4	-----	22.1	-----	-----
United Kingdom.....	27.2	-----	-----	27.2	-----	27.2	-----	-----
Yugoslavia.....	123.1	.3	-----	25.1	-----	25.4	88.7	-----
Total agreements.....	\$1,041.1	20.2	8.6	287.4	9.6	325.8	174.0	24.1
Uses as percent of total.....	100.0	2.0	.8	27.6	.9	31.3	16.7	2.3
								.7

¹ Amounts shown on this table are subject to adjustment when actual purchases have been made.

² In order to provide flexibility in the use of funds for United States uses, many agreements provide a total amount to be distributed among the several United States uses. In such instances amounts shown under subsections (a), (b), and (h) are the best information available in regard to uses or contemplated uses under these subsections. Balances not otherwise distributed are shown under subsection (f). This distribution is subject to revision when allocations have been completed.

³ Total amount shown for the following countries includes amounts in excess of amounts provided in agreements, for which currency uses have not been specified:

	Thousands dollars
Austria.....	\$335
Brazil.....	\$1,610
Greece.....	92
Iran.....	116
Total.....	1,153

These unspecified uses represent 0.1 percent of total currency uses.

BARTER

Legislation relating to barter of surplus commodities is contained in the Commodity Credit Corporation Charter Act of 1948, in the Agricultural Act of 1949, and in the Agricultural Act of 1954. Section 304 of Public Law 480 strengthened and reemphasized this previous legislation and established a policy of protecting the assets of Commodity Credit Corporation by bartering surplus agricultural commodities which are perishable and expensive to store for strategic and other materials less perishable and less costly to store. It directs the Secretary to use every practicable means to expedite and encourage such exchanges.

Under the stimulus of this congressional policy, barter contracts entered into since July 1, 1954, have totaled nearly \$500 million, in comparison to a total of approximately \$107 million for the preceding 5 fiscal years. Grains have accounted for the major part of our agricultural surplus trade via the barter route and in the fiscal year 1955 barter accounted for approximately one-fifth of all United States wheat exports. Strategic materials have accounted for approximately 90 percent of the goods received under barter contracts.

SECTION 304

Section 304 of the act prohibits sales of surplus commodities for foreign currency to the U. S. S. R. or any nation dominated or controlled by the U. S. S. R. or the world Communist movement. The section has also been interpreted to prohibit barter of surplus commodities with any such countries and even cash sales for dollars at the world price, although neither barter nor cash sales depend upon this act for their basic authority, and although it is by no means clear that such was the intent of Congress when the law was enacted.

The executive communication from the Secretary of Agriculture recommended outright repeal of this section, as did the President in his message of January 9, 1956. The Secretary of State, in his appearance before the committee in executive session, strongly urged that the section at least be amended so as to permit barter transactions with the satellite countries.

Section 3 of the bill reported herewith amends the existing language of section 304 of the act so as to do three things: (1) make it clear that section 304 applies only to sales of surplus commodities for foreign currency (title I of the act); (2) authorize barter transactions with the satellite countries; but (3) specifically prohibit any transactions under Public Law 480 with the U. S. S. R., Communist China, or North Korea. Elimination from the section of the words "for food, raw materials, and markets" does not change the meaning of the section but merely removes from an already complicated statute words which the committee considers to be nothing but confusing surplusage. In addition, the committee points out that section 304 applies only to the act of which it is a part and should not be interpreted as applying to matters outside the scope of that act.

Following is the text of a letter from the Secretary of State to the chairman of the Committee on Agriculture, following the Secretary's appearance before the committee, outlining his reasons for the requested barter authority and the limited use intended to be made of it.

THE SECRETARY OF STATE,
Washington, June 7, 1956.

HON. HAROLD D. COOLEY,
*Chairman, Committee on Agriculture,
House of Representatives.*

DEAR MR. CHAIRMAN: I urged before your committee in executive session the repeal of section 304 of Public Law 480 (the Agricultural Trade Development and Assistance Act). I did so in order that this Government would be in a position to make selective offers, on a barter basis, of surplus agricultural products to the European satellites of the Soviet Union.

The peoples of these countries are frequently plagued with food shortages and dietary deficiencies. I believe that it would be helpful if they could know, in a concrete and dramatic way of the bountiful fruits of a society of freedom, which free nations share on a normal basis.

The offers we have in mind would be designed to illustrate and illuminate the possibilities which normally prevail as between free nations.

The suggestions we make do not relate to trade with the Soviet Union itself nor do they relate to the establishment of a normal pattern of trade with the Soviet satellites which might serve either to strengthen the war potential of the Soviet bloc or to entrench the present order in relation to the satellite countries—an order which President Eisenhower and I have repeatedly said, to the Soviet rulers themselves, ought to be changed in the interest of peace and justice.

Sincerely yours,

JOHN FOSTER DULLES.

ASSISTANCE TO AMERICAN SCHOOLS

Section 104 (h) now authorizes use of foreign currencies acquired through sale of surpluses for the financing of certain international educational exchange programs. Section 2 of the bill will broaden the scope of this provision to permit these funds also to be used to aid certain American schools in the countries in which the funds originate. The schools included in this category are nonprofit, non-sectarian, nongovernmental schools which are now receiving a limited amount of assistance from regular appropriations.

EXECUTIVE COMMUNICATION

Following is the executive communication from the Secretary of Agriculture requesting enactment of this legislation.

DEPARTMENT OF AGRICULTURE,
Washington, May 17, 1956.

The SPEAKER,
House of Representatives.

DEAR MR. SPEAKER: There is enclosed a proposed form of bill to amend title I of Public Law 480, the Agricultural Trade Development and Assistance Act of 1954, as amended.

The enclosed form of bill would increase the maximum amount authorized to be appropriated to reimburse the Commodity Credit Corporation for commodities disposed of and costs incurred, under title I of the act, from \$1.5 billion to \$3.0 billion.

Enactment of legislation to accomplish this purpose is recommended in order to permit orderly programing during the fiscal year 1957.

Since the inception of the title I program, agreements entered into involve a CCC cost of approximately \$1.258 billion. There is reasonable certainty of exhausting the existing authorization of \$1.5 billion within the next 2 months through signature of agreements now in negotiation. It is probable that if funds are available, total programing through the fiscal year will exceed \$1.5 billion.

On the basis of experience during the first 2 years under the act, it is anticipated that programing for the fiscal year 1957, would proceed at about the same rate as programing has taken place in fiscal year 1956. This would require between \$700 and \$800 million for agreements entered into on a 1-year basis, plus the amount for first year's deliveries under 2- and 3-year programs. Prospects for the negotiation of agreements which would cover deliveries over periods of 2 and 3 years are good, and past experience under the program indicates that such agreements would be desirable. Taking into account the possibilities of forward programing, it is believed that agreements which we might expect to enter into by June 30, 1957, would bring the total of the program on the basis of CCC cost, since the beginning of operations, to approximately \$3 billion.

The proposed bill would further amend the act in two respects. It would amend section 104 (h) so as to permit the use of title I currencies in rendering assistance to American-sponsored schools and binational centers provided for under the so-called Smith-Mundt Act. It would repeal section 304 of the act, which would permit the bartering of agricultural commodities with Soviet bloc countries but not sales for foreign currencies to such countries.

The Bureau of the Budget advises that there is no objection to the submission of this recommendation.

Sincerely,

E. T. BENSON, *Secretary*.

CHANGES IN EXISTING LAW

In compliance with clause 3 of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in *italic*, and existing law in which no change is proposed is shown in roman):

PUBLIC LAW 480—83D CONGRESS

CHAPTER 469—2D SESSION

S. 2475

AN ACT To increase the consumption of United States agricultural commodities in foreign countries, to improve the foreign relations of the United States, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Agricultural Trade Development and Assistance Act of 1954".

SEC. 2. It is hereby declared to be the policy of Congress to expand international trade among the United States and friendly nations, to facilitate the convertibility of currency, to promote the economic stability of American agriculture and the national welfare, to make maximum efficient use of surplus agricultural commodities in furtherance of the foreign policy of the United States, and to stimulate and facilitate the expansion of foreign trade in agricultural commodities produced in the United States by providing a means whereby surplus agricultural commodities in excess of the usual marketings of such commodities may be sold through private trade channels, and foreign currencies accepted in payment therefor. It is further the policy to use foreign currencies which accrue to the United States under this Act to expand international trade, to encourage economic development, to purchase strategic materials, to pay United States obligations abroad, to promote collective strength, and to foster in other ways the foreign policy of the United States.

TITLE I—SALES FOR FOREIGN CURRENCY

SEC. 101. In furtherance of this policy, the President is authorized to negotiate and carry out agreements with friendly nations or organizations of friendly nations to provide for the sale of surplus agricultural commodities for foreign currencies. In negotiating such agreements the President shall—

(a) take reasonable precautions to safeguard usual marketings of the United States and to assure that sales under this Act will not unduly disrupt world prices of agricultural commodities;

(b) take appropriate steps to assure that private trade channels are used to the maximum extent practicable both with respect to sales from privately owned stocks and from stocks owned by the Commodity Credit Corporation;

(c) give special consideration to utilizing the authority and funds provided by this Act, in order to develop and expand continuous market demand abroad for agricultural commodities, with appropriate emphasis on underdeveloped and new market areas;

(d) seek and secure commitments from participating countries that will prevent resale or transshipment to other countries, or use for other than domestic purposes, of surplus agricultural commodities purchased under this Act, without specific approval of the President; and

(e) afford any friendly nation the maximum opportunity to purchase surplus agricultural commodities from the United States, taking into consideration the opportunities to achieve the declared policy of this Act and to make effective use of the foreign currencies received to carry out the purposes of this Act.

SEC. 102. (a) For the purpose of carrying out agreements concluded by the President hereunder, the Commodity Credit Corporation, in accordance with regulations issued by the President pursuant to subsection (b) of this section, (1) shall make available for sale hereunder to domestic exporters surplus agricultural commodities heretofore or hereafter acquired by the Corporation in the administration of its price-support operations, and (2) shall make funds available to finance the sale and exportation of surplus agricultural commodities, whether from private stocks or from stocks of the Com-

modity Credit Corporation. In supplying such commodities to exporters under this subsection the Commodity Credit Corporation shall not be subject to the sales price restrictions in section 407 of the Agricultural Act of 1949, as amended. The commodity set-aside established for any commodity under section 101 of the Agricultural Act of 1954 (68 Stat. 897) shall be reduced by a quantity equal to the quantity of such commodity financed hereunder which is exported from private stocks.

(b) In order to facilitate and maximize the use of private channels of trade in carrying out agreements entered into pursuant to this Act, the President may, under such regulations and subject to such safeguards as he deems appropriate, provide for the issuance of letters of commitment against funds or guaranties of funds supplied by the Commodity Credit Corporation and for this purpose accounts may be established on the books of any department, agency, or establishment of the Government, or on terms and conditions approved by the Secretary of the Treasury in banking institutions in the United States. Such letters of commitment, when issued, shall constitute obligations of the United States and moneys due or to become due thereunder shall be assignable under the Assignment of Claims Act of 1940. Expenditures of funds which have been made available through accounts so established shall be accounted for on standard documentation required for expenditures of Government funds.

SEC. 103. (a) For the purpose of making payment to the Commodity Credit Corporation to the extent the Commodity Credit Corporation is not reimbursed under section 105 for commodities disposed of and costs incurred under titles I and II of this Act, there are hereby authorized to be appropriated such sums as are equal to (1) the Corporation's investment in commodities made available for export under this title and title II of this Act, including processing, packaging, transportation, and handling costs, and (2) all costs incurred by the Corporation in making funds available to finance the exportation of surplus agricultural commodities pursuant to this title. Any funds or other assets available to the Commodity Credit Corporation may be used in advance of such appropriation or payments, for carrying out the purposes of this Act.

(b) Transactions shall not be carried out under this title which will call for appropriations to reimburse the Commodity Credit Corporation, pursuant to subsection (a) of this section, in amounts in excess of **[\$1,500,000,000]** \$3,000,000,000. This limitation shall not be apportioned by year or by country, but shall be considered as an objective as well as a limitation, to be reached as rapidly as possible so long as the purposes of this Act can be achieved within the safeguards established.

SEC. 104. Notwithstanding section 1415 of the Supplemental Appropriation Act, 1953, or any other provision of law, the President may use or enter into agreements with friendly nations or organizations of nations to use the foreign currencies which accrue under this title for one or more of the following purposes:

(a) To help develop new markets for United States agricultural commodities on a mutually benefiting basis;

(b) To purchase or contract to purchase strategic and critical materials, within the applicable terms of the Strategic and Critical Materials Stockpile Act, for a supplemental United States

stockpile of such materials as the President may determine from time to time under contracts, including advance payment contracts, for supply extending over periods up to 10 years. All strategic and critical materials acquired under authority of this title shall be placed in the above named supplemental stockpile and may be additional to the amounts acquired under authority of the Strategic and Critical Materials Stockpile Act. Materials so acquired shall be released from the supplemental stockpile only under the provisions of section 3 of the Strategic and Critical Materials Stockpile Act;

(c) To procure military equipment, materials, facilities, and services for the common defense;

(d) For financing the purchase of goods or services for other friendly countries;

(e) For promoting balanced economic development and trade among nations;

(f) To pay United States obligations abroad;

(g) For loans to promote multilateral trade and economic development, made through established banking facilities of the friendly nation from which the foreign currency was obtained or in any other manner which the President may deem to be appropriate. Strategic materials, services, or foreign currencies may be accepted in payment of such loans;

(h) For the financing of international educational exchange activities under the programs authorized by section 32 (b) (2) of the Surplus Property Act of 1944, as amended (50 U. S. C. App. 1641 (b)) *and for the providing of assistance to activities and projects authorized by section 203 of the United States Information and Educational Exchange Act of 1948, as amended (22 U. S. C. 1448).*

Provided, however, That section 1415 of the Supplemental Appropriation Act, 1953, shall apply to all foreign currencies used for grants under subsections (d) and (e) and for payment of United States obligations involving grants under subsection (f) and to not less than 10 per centum of the foreign currencies which accrue under this title: *Provided, however,* That the President is authorized to waive such applicability of section 1415 in any case where he determines that it would be inappropriate or inconsistent with the purposes of this title.

SEC. 105. Foreign currencies received pursuant to this title shall be deposited in a special account to the credit of the United States and shall be used only pursuant to section 104 of this title, and any department or agency of the government using any of such currencies for a purpose for which funds have been appropriated shall reimburse the Commodity Credit Corporation in an amount equivalent to the dollar value of the currencies used.

SEC. 106. As used in this Act, "surplus agricultural commodity" shall mean any agricultural commodity or product thereof, class, kind, type, or other specification thereof, produced in the United States, either privately or publicly owned, which is or may be reasonably expected to be in excess of domestic requirements, adequate carryover, and anticipated exports for dollars, as determined by the Secretary of Agriculture.

The Secretary of Agriculture is also authorized to determine the nations with whom agreements shall be negotiated, and to determine

the commodities and quantities thereof which may be included in the negotiations with each country after advising with other agencies of Government affected and within broad policies laid down by the President for implementing this Act.

SEC. 107. As used in this Act, "friendly nation" means any country other than (1) the U. S. S. R., or (2) any nation or area dominated or controlled by the foreign government or foreign organization controlling the world Communist movement.

SEC. 108. The President shall make a report to Congress with respect to the activities carried on under this Act at least once each six months and at such other times as may be appropriate and such reports shall include the dollar value, at the exchange rates in effect at the time of the sale, of the foreign currency for which commodities exported pursuant to section 102 (a) hereof are sold.

SEC. 109. No transactions shall be undertaken under authority of this title after June 30, 1957, except as required pursuant to agreements theretofore entered into pursuant to this title.

* * * * *

TITLE III—GENERAL PROVISIONS

* * * * *

SEC. 304. (a) The President shall exercise the authority contained **[herein]** *in title I of this Act* (1) to assist friendly nations to be independent of trade with the U. S. S. R. **[or]** *and with* nations dominated or controlled by the U. S. S. R. **[for food, raw materials and markets,]** and (2) to assure that agricultural commodities sold or transferred **[hereunder]** *thereunder* do not result in increased availability of those or like commodities to unfriendly nations.

(b) *Nothing in this Act shall be construed as authorizing transactions under title I or title III with the Union of Soviet Socialist Republics or Communist China or North Korea.*



Union Calendar No. 919

84TH CONGRESS
2D SESSION

H. R. 11708

[Report No. 2380]

IN THE HOUSE OF REPRESENTATIVES

JUNE 12, 1956

Mr. COOLEY introduced the following bill; which was referred to the Committee on Agriculture

JUNE 18, 1956

Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

A BILL

To amend the Agricultural Trade Development and Assistance Act of 1954, as amended, so as to increase the amount authorized to be appropriated for purposes of title I of the Act, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That section 103 (b) of the Agricultural Trade Develop-
4 ment and Assistance Act of 1954, as amended (Public Law
5 480, Eighty-third Congress), is amended by striking out
6 “\$1,500,000,000” and inserting in lieu thereof “\$3,000,-
7 000,000”.

8 SEC. 2. Section 104 (h) of the Act is amended by in-
9 serting the following language immediately before the period

1 at the end of the section: "and for the providing of assistance
2 to activities and projects authorized by section 203 of the
3 United States Information and Educational Exchange Act
4 of 1948, as amended (22 U. S. C. 1448)".

5 SEC. 3. Section 304 of the Act is amended to read as
6 follows:

7 "SEC. 304. (a) The President shall exercise the author-
8 ity contained in title I of this Act (1) to assist friendly
9 nations to be independent of trade with the Union of Soviet
10 Socialist Republics and with nations dominated or controlled
11 by the Union of Soviet Socialist Republics and (2) to assure
12 that agricultural commodities sold or transferred thereunder
13 do not result in increased availability of those or like com-
14 modities to unfriendly nations.

15 "(b) Nothing in this Act shall be construed as author-
16 izing transactions under title I or title III with the Union
17 of Soviet Socialist Republics or Communist China or North
18 Korea."

84TH CONGRESS
2D SESSION

H. R. 11708

[Report No. 2380]

A BILL

To amend the Agricultural Trade Development and Assistance Act of 1954, as amended, so as to increase the amount authorized to be appropriated for purposes of title I of the Act, and for other purposes.

By Mr. COOLEY

JUNE 12, 1956

Referred to the Committee on Agriculture

JUNE 18, 1956

Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

U.S. HOUSE OF REPRESENTATIVES
H. R. 11708

1917

A BILL

TO AMEND THE ACT
APPROVED MARCH 3, 1907,
RELATIVE TO THE
MOUNTAIN STATES

U. S. SENATE

APPROVED MARCH 3, 1907

U. S. HOUSE OF REPRESENTATIVES

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued June 21, 1956
For actions of June 20, 1956
84th-2nd, No. 102

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HIGHLIGHTS: House passed farm loan bill. Senate passed bill to improve government budgeting and accounting methods and procedures. Both Houses agreed to conference report on independent offices appropriation bill. Ready for President. Senate committee reported nomination of Hamil to be REA Administrator. Senate committee ordered reported bills to increase CCC borrowing authority, and increase Public Law 480 authorizations.

SENATE

1. BUDGETING; ACCOUNTING. Passed without amendment S. 3897, to improve governmental budgeting and accounting methods and procedures. p. 9671
This bill includes the following provisions:
 - (1) that proposed appropriations shall, to the maximum extent deemed desirable and practicable by the President, be determined on an annual accrued expenditure basis;
 - (2) that requests for appropriations shall be developed, in such manner and at such times as may be determined by the President, from cost-based budgets;
 - (3) that, for purposes of administration and operation, such cost-based budgets shall be used by all departments and their subordinate units;
 - (4) that, as soon as practicable, in accordance with standards prescribed by the Comptroller General, the accounts of each agency shall be maintained on an accrual basis to show resources, liabilities, and costs of operations.
 - (5) that, at the end of each fiscal year, the excess over accrued expenditures of any appropriation or fund made on an annual accrued expenditure basis shall lapse, unless otherwise provided by law, and that the remaining balances shall be merged with any appropriation or fund made for the same general purpose for the ensuing fiscal year.

- (6) that, insofar as is possible,
 - (a) consistency in accounting and budgeting classifications,
 - (b) synchronization between accounting and budget classifications and organizational structure, and
 - (c) support of budget justifications by information on performance and program costs by organizational units.
- (7) that, accounting systems maintained on an accrual basis shall include adequate monetary property accounting records as an integral part of the system.
- (8) that, each agency shall work toward the objective of financing each operating unit, at the highest practical level, from not more than one administrative subdivision for each appropriation or fund affecting such unit.

Passed with amendments H. R. 9593, to simplify accounting and to facilitate the payment of obligations, after substituting the language of S. 3362, a similar bill. S. 3362 was indefinitely postponed. Sen. Kennedy inserted an explanation of the difference between the two bills. p. 9596

2. ROADS. Sen. Johnson stated that the conference report on the road bill may be submitted today. p. 9612
3. MILK. Agreed to the House amendments to S. 1614, to fix a reasonable definition and standard of identity of certain dry milk solids. This bill will now be sent to the President. p. 9612
4. NOMINATIONS. The Agriculture and Forestry Committee reported the nominations of David A. Hamil to be REA Administrator, and Glen A. Boger to be a member of the Farm Credit Board. p. 9611
5. ELECTRIFICATION. Sen. Goldwater compared public power electric rates with those of private power companies. p. 9569
Sen. Lehman inserted newspaper articles reviewing the history of the preference clause in Federal power legislation. p. 9567
6. FOREIGN AFFAIRS. Received from the President the report of the National Advisory Council on international monetary and financial problems. p. 9566
The Foreign Relations Committee reported without amendment S. Res. 285, providing for studies of foreign assistance by the U. S. (S. Rept. 2278). p. 9566
7. RECLAMATION. Passed without amendment H. R. 101, to provide clarifications in contract repayments in irrigation and reclamation projects. This bill will now be sent to the President. pp. 9572, 9573
Agreed to the House amendments to S. 1622, to authorize the Secretary of the Interior to make payment for certain improvements located on public lands in the Rapid Valley unit, S. Dak. of the Mo. River Basin project. This bill will now be sent to the President. p. 9599
8. CCC. The Agriculture and Forestry Committee ordered reported with amendment S. 3820, to increase the borrowing authority of the CCC. The "Daily Digest" states that the committee amendment "would increase borrowing power from \$14 billion to \$14.5 billion". p. D652
9. FOREIGN AID. The Agriculture and Forestry Committee ordered reported with amendment S. 3903, to increase the amount authorized to be appropriated for purposes of title I of Public Law 480 to \$3 billion. The "Daily Digest" states that the committee amendment would "make its provisions conform to those of

H. R. 11708, a similar bill". H. R. 11708 contains provisions for assistance to U. S. information and educational exchange activities, and to prevent U. S. agricultural commodities sold to result in the increase in availability of like commodities to unfriendly nations. p. D652

10. SURPLUS PROPERTY. Passed as reported H. R. 7227, to amend the Federal Property and Administrative Services Act of 1949 to authorize the disposal of surplus property for civil defense purposes. p. 9598

HOUSE

11. FARM LOANS. Passed as reported H. R. 11544, to improve and simplify the credit facilities available to farmers, and to amend the Bankhead-Jones Farm Tenant Act. pp. 9627, 9637 (For provisions of the bill, see Digest No. 91)
12. APPROPRIATIONS. Both Houses agreed to the conference report on H. R. 9739, the independent offices appropriation bill for 1957. The House concurred in one Senate amendment in disagreement, and amended another Senate amendment which was in disagreement, to which the Senate later agreed. pp. 9584, 9617 This bill is now ready for the President.
Concurred in the Senate amendments to H. R. 11473, the legislative branch appropriation bill for 1957. p. 9618 This bill is now ready for the President.
13. FOREIGN AFFAIRS. Received from the President the report of the National Advisory Council on International Monetary and Financial Problems (H. Doc. 430); to the Foreign Affairs Committee.
Rep. McCormack discussed the problem of competition between Russian and American foreign aid programs, and suggested that an analysis should be made of the situation. p. 9636
The Foreign Affairs Committee ordered reported S. 3116, to strengthen international relations through cultural and athletic exchanges and participation in international fairs and festivals. p. D655
14. PERSONNEL. Passed as reported H. R. 11040, to advance the scientific and professional research and development programs of the Departments of Defense, Interior and Commerce by authorizing additional supergrade positions in certain skills. p. 9629
Rep. Lesinski spoke in favor of his bill H. R. 11790, to increase the salaries of those Federal employees who are paid in accordance with the Classification Act of 1949. p. 9651
Rep. Sikes criticized the Bradley Commission's report on Veterans' Benefits as denying just recognition to the veterans of all the wars. p. 9653
Received from the Commission on Government Security a proposed bill to extend the time for the Commission to file its final report; to the Judiciary Committee. p. 9656
15. AREA ASSISTANCE. Rep. Flood spoke in favor of the purposes of his bill H. R. 7857, which he has amended, to relieve chronic unemployment in certain depressed areas. p. 9647
16. PUBLIC DEBT. The Ways and Means Committee reported without amendment H. R. 11740, providing for a temporary increase of \$3 billion in the statutory debt limit for the fiscal year 1957 (H. Rept. 2407). p. 9656
17. FORESTRY; MINING. The Government Operations Committee issued a report on the Al Sarena mining case (H. Rept. 2408). p. 9656

ITEMS IN APPENDIX

18. CIVIL DEFENSE. Rep. Holifield inserted two articles by Hanson Baldwin analyzing some of the essential problems confronting our civil defense programs. p. A4896
19. ROADS. Rep. Boggs inserted a series of articles analyzing the implications of the proposed road bill. p. A4900
Rep. Curtis, Mass., inserted an editorial, "Highways or Handouts?" and stated that "it gives strong support to the House plan for the distribution of Federal aid for the 40,000-mile Interstate System in preference to the Senate plan." p. A 4904
20. REA. Extension of remarks of Rep. Jackson stating that in the Congressional Record for May 22 there is an article written by Clyde T. Ellis, Rural Electric Cooperative Ass'n, and one by Claude R. Wickard, that "the last 4 paragraphs are identical, word for word..." and that "it seems rather unusual for two people to use the same ghost writer." p. A4911
21. FOREIGN AID. Extension of remarks of Rep. Sheehan stating that "it is most interesting to note that we have spent over \$50 billion in foreign aid, while at the same time foreign investments in this country now exceed half of that amount," and inserting an editorial on this subject. p. A4916
22. VETERANS' BENEFITS. Rep. Multer inserted Geo. C. Johnson's pres., of the Dime Savings Bank of Brooklyn, statement urging that home loans for veterans be extended for a minimum of one year. p. A4917
Rep. Griffiths inserted a Disabled American Veterans of Michigan resolution opposing the recommendations of the Bradley Commission on veterans benefits. p. A4921
23. CHEMICALS IN FOOD. Rep. Miller, Neb., inserted his speech before the Institute of Food Technologists' 16th annual meeting discussing the progress made through research in the field of nutrition and other practical applications of chemicals and that there is no question but what chemicals are needed in the preparation, preservation and use of food. p. A 4918

BILLS INTRODUCED

24. DEPRESSED AREAS. H. R. 11860, by Rep. Ashley, to alleviate conditions of excessive unemployment and underemployment in depressed industrial and rural areas; to Banking and Currency Committee.
25. PROPERTY. H. R. 11863, by Rep. Fascell, to amend the Federal Property and Administrative Services Act of 1949 to permit the donation and other disposal of property to State welfare agencies and nonprofit welfare institutions; to Government Operations Committee.
26. PERSONNEL. H. R. 11864, by Rep. Fascell, a bill relating to the computation of the retirement income credit in the case of joint income-tax returns; to Ways and Means Committee.
27. AUTOMATION. H. R. 11865, by Rep. Hayworth, to amend the Employment Act of 1946 to provide for studies of the social and economic effects of automation; to Government Operations Committee.
28. INSPECTION SERVICE. H. R. 11871, by Rep. Murray (by request) to provide a uniform premium pay system for Federal employees engaged in inspectional service,

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued June 25, 1956
For actions of June 22, 1956
84th-2nd, No. 104

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HIGHLIGHTS: Senate committee reported bills to increase CCC borrowing authority, and to increase Public Law 480 authorizations. Senate passed bill to extend Defense Production Act.

SENATE

1. CCC. The Agriculture and Forestry Committee reported with amendments S. 3820, to increase the borrowing authority of CCC (S. Rept. 2289). p. 9724
2. SURPLUS COMMODITIES. The Agriculture and Forestry Committee reported with amendment S. 3903, to increase the amount authorized for purposes of title I of Public Law 480 to \$3 billion (S. Rept. 2290). p. 9724
3. DEFENSE PRODUCTION. Passed with amendments H. R. 9852, to extend the Defense Production Act for 2 years. pp. 9750, 9751
4. PUBLIC LANDS. Passed without amendment S. 3512, to permit desert land entries on disconnected tracts of lands which, in the case of any one entryman, form a compact unit and do not exceed in the aggregate 320 acres. p. 9785
Passed without amendment S. 3042, to amend the Mineral Leasing Act in order to promote the development of phosphate on the public domain. p. 9785
5. ELECTRIFICATION. Sen. Wiley inserted a Wis. Coop. Electrical Assoc. resolution relating to various aspects of public power. p. 9723
The Interstate and Foreign Commerce Committee reported with amendments

S. 2643, to encourage maximum development of low-cost electric energy from all sources of power, including atomic energy, coal, oil, and natural gas (S. Rept. 2287). p. 9724

6. WATER RESOURCES. Sen. Hruska inserted a Stock Growers Assoc. resolution opposing any attempt to increase the Federal control of water resources, and favoring State control of these resources. p. 9724
7. APPROPRIATIONS. Continued debate on H. R. 10986, the Defense Department appropriation bill for 1957. pp. 9734, 9785
8. EMPLOYEE SECURITY. Sen. Johnston commented on the findings of the Special Subcommittee to investigate the Employee Security Program, and announced that its report was in the final stages of assembly. p. 9750
9. RECLAMATION. Sen. Case entered a motion to reconsider the vote whereby the Senate agreed to the amendments of the House to S. 1622, to authorize the Secretary of the Interior to make payment for certain improvements located on public lands in the Rapid Valley unit, S. Dak. of the Mo. River Basin project. The House was requested to return the bill. p. 9751
10. RECESSED until Mon., June 25. p. 9785

ITEMS IN APPENDIX

11. PERSONNEL. Sen. Stennis inserted Asst. Secretary of Defense Burgess' statement before the Senate Appropriations Committee discussing the problem of personnel losses and critical technical needs. p. A4964
12. FARM PROGRAM; RECLAMATION. Sen. Neuberger inserted portions of Elmer McClure's, Oregon State Grange, address stating that "I cannot envision how the present administration's so-called land bank can be of substantial benefit to farmers of the West;" criticizing the President's veto of the certificate plan for wheat; favoring the proposed Hells Canyon and opposing the Pelton Dam. p. A4967
13. SOIL BANK. Rep. Multer inserted a newspaper article, "Benson Switches Confuse Farmers," criticizing this Department's administration of the soil bank program. p. A4968

BILLS APPROVED BY THE PRESIDENT

14. TOBACCO. H. R. 9475, to extend the time for announcing marketing quotas for tobacco, except flue-cured tobacco, to not later than the first day of February each year. Approved June 22, 1956 (Public Law 609, 84th Congress).
15. FORESTRY. S. 2967, to authorize the acquisition of additional lands within the roadless area of the Superior National Forest. Approved June 22, 1956 (Public Law 607, 84th Congress).

PRINTED HEARINGS RECEIVED IN THIS OFFICE

16. LOANS; FOREIGN TRADE. S. 3868, S. 3329, and S. 2256, to extend the Export-Import Bank Act of 1945. Senate Banking and Currency Committee.
17. LABOR STANDARDS. Minimum wages in certain territories, possessions, and overseas area of the U. S. Part II. House Education and Labor Committee.

AMENDMENTS TO PUBLIC LAW 480, 83D CONGRESS

JUNE 22, 1956.—Ordered to be printed

Mr. ELLENDER, from the Committee on Agriculture and Forestry,
submitted the following

REPORT

[To accompany S. 3903]

The Committee on Agriculture and Forestry, to whom was referred the bill (S. 3903) to amend the Agricultural Trade Development and Assistance Act of 1954, as amended, so as to increase the amount authorized to be appropriated for purposes of title I of the act, and for other purposes, having considered the same, report thereon with a recommendation that it do pass with an amendment.

EXPLANATION OF BILL AND COMMITTEE AMENDMENTS

This bill, with the committee amendment, would—

(1) increase the limitation on transactions which might be carried out under title I of Public Law 480, 83d Congress (sale of agricultural commodities for foreign currency) from those calling for appropriations of \$1.5 billion to those calling for appropriations of \$3 billion;

(2) permit foreign currencies acquired under that title to be used to provide the assistance authorized by section 203 of the United States Information and Educational Exchange Act of 1948 (assistance to schools, libraries, and community centers abroad founded or sponsored by citizens of the United States and serving as demonstration centers for methods and practices employed in the United States);

(3) amend section 304 of Public Law 480 to restrict its effect to sales for foreign currency under title I. (Sec. 304 requires the President to exercise his authority under the act so as to assist friendly nations to be independent of trade with Iron Curtain countries and so as not to increase the availability of commodities to unfriendly nations. The purpose of the amendment is to remove barter transactions from this requirement); and

(4) exempt sales of fruit and fruit products from private stocks under title I of Public Law 480 from the cargo preference laws.

The need for the bill is fully described in the attached letters from the Departments of Agriculture and State. The committee amendment to section 3 would preserve section 304 of Public Law 480 insofar as it relates to sales for foreign currencies under title I, and prohibit transactions under title I or title III with Russia, Communist China, or North Korea. This amendment, which is approved by the Departments of Agriculture and State, carries out the original purpose of the bill to permit barter transactions with countries other than those named, while preserving what many believe to be the original purpose of section 304.

The committee amendment exempting the sale of fruit and fruit products under title I of Public Law 480 from the cargo preference laws is recommended because of the special problems of that industry both in obtaining refrigerated shipping when needed and in opening, reopening, and retaining export markets in the face of many trade barriers and other handicaps.

Throughout its extensive hearings on agricultural legislation relating to the export of agricultural products, the committee has been impressed by the number of instances in which export markets for fruit and fruit products have been restricted by the actions of foreign governments. Such actions have included preferential treatment to other sources of supply, monetary restrictions, embargoes, quotas, and delays in licensing. Import licenses, when issued, have usually been on a temporary or seasonal basis and when the opportunity to market has been granted, some governments have imposed stipulations which have impaired or destroyed the value of the access. Progress in eliminating these barriers has been discouragingly slow despite the keen interest and intensified efforts of the Departments of State and Agriculture.

The production and marketing of fresh and processed citrus and deciduous fruit is a highly important part of our agricultural economy. Prewar, exports of fresh and processed fruits ranked first among all food items and third among all agricultural commodities. The testimony presented at the many hearings on this subject has shown that the fruit industry has had a historic dependency on world markets and has a continuous need for the export of certain varieties, grades, sizes, and specifications, irrespective of whether or not a total surplus exists, if an orderly balanced marketing program is to be secured.

The fruit industry has not asked for mandatory price support but has consistently endeavored to work out its marketing problems by striving to reopen its prewar export outlets and by continuing to improve domestic markets. Adequate distribution of fruit and fruit products can be accomplished only if the industry has continuous competitive access to all world markets.

Because of the special needs of this industry for assistance in solving its export marketing problems the committee recommends that its sales under title I be exempt from the cargo preference laws and further, that special efforts be put forth by the appropriate agencies of this Government under presently available authority and procedures to minimize and overcome such barriers to fruit exports and particularly to provide continuing commercial arrangements in order to remove the present uncertainties arising from annual negotiations.

While the committee has not recommended any amendment of the bill with respect to animal products, it recognizes that many of the

problems of the fruit industry are also applicable to animal products and that similar action on the part of the executive branch may be required in many instances with respect to animal products.

There is no question, of course, that fruit and animal products, as well as any other agricultural commodity or product thereof, if determined by the Secretary as provided in section 106 to be in surplus supply, are covered by Public Law 480 without regard to whether the Government owns any stocks of such commodity or product.

BACKGROUND INFORMATION

Public Law 480 was approved July 10, 1954, with an original limitation on transactions under title I to those calling for appropriations of \$700 million to reimburse Commodity Credit Corporation, to the extent that it is not reimbursed from funds appropriated for other agencies. Reimbursement by other agencies prior to July 1, 1957, is not expected to be sufficient to have a significant effect on the overall size of the program. In August 1955, this limitation was increased to \$1,500 million and this amount has now been substantially committed. The committee is informed that additional agreements totaling several hundred million dollars are being held up at the present time awaiting additional authorization.

Since the beginning of the program, 59 agreements have been signed with 27 countries for the sale of agricultural commodities totaling \$1,509 million at Commodity Credit Corporation cost, as estimated in the attached tables. An estimated shortfall in procurement of \$47 million is expected, reducing the estimated net obligation to \$1,462 million. (Since the attached tables were prepared, the price of cotton has been reduced from \$140 to \$125 per bale, which will result in a larger quantity of cotton being covered by existing agreements (which are on a dollar basis). Since the investment cost per bale remains constant, this increase in quantity will result in an increase of the overall investment cost of about \$30 million to \$1,492 million.) More than half of this amount has been covered by agreements entered into during the last 6 months.

In terms of quantity, agreements signed to date represent almost 7.1 million metric tons of commodities. By June 30, 4.4 million tons of this total will have been exported, leaving 2.7 million tons to move during the coming months. There has been a lag in cotton shipments, but these should accelerate when the new cotton export price policy becomes fully operative.

There are included in agreements signed to date, approximately 158 million bushels of wheat, 57 million bushels of feed grains, 10 million hundredweight of rice, 1.7 million bales of cotton, 124 million pounds of tobacco, 1 billion pounds of fats and oils, 90 million pounds of dairy products, 82 million pounds of fruit and vegetables, 75 million pounds of meat products, and other commodities.

These commodities are paid for by foreign countries in their own currencies. Payments are based on United States export prices rather than on CCC investment and costs. For example, wheat might cost a foreign buyer \$1.70 per bushel but the CCC investment in the wheat could be as much as \$3.10 per bushel. On this basis the total foreign currency payments due the United States Government under agreements signed to date total \$1,041 million.

About 31.4 percent of this total will be used for purposes directly beneficial to the United States, including the payment of our obliga-

tions that would otherwise be paid in dollars, the purchase of strategic materials, financing of agricultural market development programs abroad, and financing international educational exchange programs.

About \$73 million worth of foreign currency has been programmed to construct United States military family housing abroad. Construction is well advanced in the United Kingdom on 1,500 units which will cost \$15 million, and these are expected to be completed by the end of the current year. The Defense Department will reimburse the Commodity Credit Corporation for the cost of the housing from its quarters allowances. Other countries in which military family housing will be erected include Spain, Japan, French Morocco, Greece, Libya, and Italy.

Funds in this category are being used to pay United States military base construction costs in Turkey, Spain, and other countries. They are also being used to pay United States Embassy costs in many countries. These uses return dollars to the Commodity Credit Corporation.

A total of about \$19 million in foreign currency has been obligated for agricultural market development projects in 24 countries. These are projects designed to promote increased use of our agricultural commodities. Projects undertaken in this area include a cotton promotion program in cooperation with the National Cotton Council, tobacco promotion with three United States associations, wheat promotion with the Oregon Wheat League, etc. Private cooperating United States and foreign-trade groups are making financial contributions to these programs.

About 2.3 percent of the proceeds is being used to purchase goods for third countries. These purchases generally supplement those which are possible with United States foreign-aid funds. However, if the goods are donated to the third country, the CCC will be reimbursed from foreign-aid funds.

About 16.7 percent is being used on a grant basis to build up the armed strength of such countries as Korea, Pakistan, and Iran. In most cases, if these grants were not made, it would be necessary to increase appropriations for military aid.

About 0.7 percent of the total proceeds is being used as a grant for economic development. The grant has been made in only one case—Greece, which had a very serious earthquake in April of 1955. In order to show the expression of sympathy of all the people of the United States for those who suffered from this catastrophe, the United States Government agreed that \$7.5 million worth of drachmas are to be used to help finance rebuilding and repair of housing in the devastated areas.

About 48.9 percent of the total proceeds of \$1,041 million is scheduled to be loaned to recipient countries to promote multilateral trade and economic development. Up to this time loan agreements have been concluded with 7 countries providing for local currency loans equivalent to about \$105 million. Additional loan agreements are being negotiated. The loans are made for periods of 10 to 40 years, and are usually denominated in dollars in order to protect the United States against devaluation of the currencies. The loans may be repaid in strategic materials, services, foreign currencies or dollars. In the event the foreign country elects to repay in its own currencies, these may be used to meet any expenses of the United States Government in the country.

The following tables show in detail the agreements which have been made under title I of Public Law 480, the value and the quantity of the commodities involved in sales for foreign currency, and the planned use of the currencies obtained from such sales.

TABLE I.—*Agreements signed from beginning of program*

[In thousands of dollars]

Country	Date signed	Market value excluding ocean trans- portation	Ocean trans- portation	CCC cost, including ocean trans- portation
1. Turkey.....	Nov. 15, 1954	\$18,917	\$5,517	\$35,086
2. Yugoslavia.....	Jan. 5, 1955	37,990	6,214	63,018
3. Pakistan.....	Jan. 8, 1955	23,084	1,316	39,082
4. Chile.....	Jan. 27, 1955	4,600	407	7,636
5. Peru.....	Feb. 7, 1955	3,250	380	6,255
6. Spain.....	Apr. 20, 1955	19,316	1,684	25,009
7. Argentina.....	Apr. 25, 1955	5,670	130	8,721
8. Turkey (amendment).....	Apr. 28, 1955	4,144	427	6,121
9. Israel.....	Apr. 29, 1955	7,848	822	13,255
10. Finland.....	May 6, 1955	5,114	123	5,250
11. Yugoslavia (amendment).....	May 12, 1955	6,523	1,309	13,384
12. Italy.....	May 23, 1955	48,230	1,800	71,708
13. Japan.....	May 31, 1955	79,026	5,974	111,266
14. Korea.....	do	14,015	985	15,000
15. United Kingdom.....	June 7, 1955	15,000	205	15,205
16. Austria.....	June 14, 1955	5,500	584	8,256
17. Israel (amendment).....	June 15, 1955	3,652	678	7,312
18. Thailand.....	June 21, 1955	1,900	100	2,000
19. Colombia.....	June 23, 1955	4,900	400	7,072
20. Greece.....	June 24, 1955	5,400	647	8,665
21. Do.....	do	7,573	772	12,711
22. Peru (amendment).....	June 25, 1955	3,400	400	6,259
Subtotal as of June 30, 1955.....		330,022	30,887	491,321
23. France.....	Aug. 11, 1955	650	0	650
24. Peru (amendment).....	Sept. 20, 1955	3,000	320	3,320
25. Yugoslavia (amendment).....	Oct. 1, 1955	17,900	4,260	42,168
26. Ecuador.....	Oct. 7, 1955	3,750	270	5,290
27. Spain (amendment).....	Oct. 20, 1955	10,000	622	10,622
28. Israel.....	Nov. 10, 1955	14,740	2,300	26,863
29. Brazil.....	Nov. 16, 1955	37,150	4,680	77,955
30. Egypt.....	Dec. 14, 1955	4,818	782	10,682
31. Colombia.....	Dec. 20, 1955	10,900	700	17,054
32. Argentina.....	Dec. 21, 1955	24,700	600	25,300
33. Germany.....	Dec. 23, 1955	1,200	0	1,200
34. Finland (amendment).....	Jan. 12, 1956	500	50	930
35. Yugoslavia (amendment).....	Jan. 19, 1956	42,600	6,400	77,869
36. Spain (amendment).....	Jan. 21, 1956	15,000	1,100	16,100
37. Israel (amendment).....	Jan. 31, 1956	900	0	1,760
38. Austria.....	Feb. 7, 1956	20,800	1,650	33,515
39. Burma.....	Feb. 8, 1956	20,800	900	31,200
40. Egypt (amendment).....	do	4,900	700	11,216
41. Israel (amendment).....	Feb. 10, 1956	10,000	0	10,000
42. Egypt (amendment).....	Feb. 17, 1956	7,348	1,052	16,825
43. Greece (amendment).....	do	5,867	233	6,100
44. Iran.....	Feb. 20, 1956	11,300	916	19,938
45. Pakistan.....	Mar. 2, 1956	15,000	1,900	30,746
46. Indonesia.....	do	91,800	4,900	152,969
47. Spain.....	Mar. 5, 1956	60,000	4,800	79,096
48. Turkey.....	Mar. 12, 1956	3,700	300	4,000
49. Korea.....	Mar. 13, 1956	39,700	4,100	59,674
50. Chile.....	do	32,500	2,100	45,437
51. Spanish-Swiss.....	Mar. 20, 1956	4,607	393	9,430
52. Finland (amendment).....	Mar. 26, 1956	12,100	1,000	18,702
53. Finland (amendment).....	Apr. 26, 1956	2,900	465	6,718
54. Paraguay.....	May 2, 1956	2,600	400	5,170
55. Peru.....	May 7, 1956	2,470	310	5,420
56. Turkey (amendment).....	May 11, 1956	9,700	1,400	20,200
57. Portugal.....	May 24, 1956	6,300	800	13,400
58. Japan.....	Feb. 10, 1956 ¹	59,900	5,900	103,300
59. United Kingdom.....	June 5, 1956	12,000		12,000
Subtotal, July 1, 1955, through June 5, 1956.....		624,100	56,300	1,017,864
Total, all agreements signed through June 5, 1956.....		954,122	87,190	1,509,185
Estimated shortfall.....				47,000
Estimated net obligation.....				1,462,185

¹ Effective May 29, 1956.

TABLE II.—Commodity composition of programs under title I, Public Law 480 agreements signed through June 5, 1956
[In millions of dollars]

Country	Wheat	Feed grains	Rice	Cotton	Tobacco	Dairy products	Fats and oils	Other	Market value	Ocean transportation	Market value including overseas transportation ¹	CCC cost including overseas transportation ¹
Argentina												
Austria	3.4	10.6		6.1	3.5		30.4		30.4	0.7	31.1	34.0
Brazil	32.1	3.0			1.2		2.4	20.3	25.3	4.7	28.5	41.8
Burma							1.8		37.1		41.8	78.0
Chile	8.4			17.5	1.1	2.0			20.8	.9	21.7	31.2
Colombia	5.0			5.3	.2	1.0	16.0	6.2	37.1	2.5	39.6	53.1
Ecuador	1.1			7.6		.7	2.5		15.8	1.1	16.9	24.1
Egypt	17.1			.9	.2		1.5		3.7	.3	4.0	5.3
Finland	6.0	1.1		5.8	6.0	.5		1.2	17.1	2.5	19.6	38.7
France					.7				20.6	1.7	22.3	31.6
Germany									1.2		1.2	1.2
Greece	6.0	2.4				2.5	8.0	1.2	18.9	1.6	20.5	27.5
Indonesia	5.0		35.8	36.0	15.0				91.8	4.9	96.7	153.0
Iran	3.9					6.0	1.4		11.3	.9	12.2	19.9
Israel	11.1	6.4	.1			3.3	2.9	10.3	37.1	3.8	40.9	59.2
Italy	1.6	3.0		2.6	3.2		4.5		48.2	1.8	50.0	71.7
Japan	49.7	14.3	14.4	35.9	7.7				138.9	11.9	150.8	219.5
Korea	6.4	11.5		52.8	6.6	1.0	3.0	8.0	53.7	5.1	58.8	74.7
Pakistan			15.0	17.2	3.3	2.3	1.0		43.1	3.2	46.3	69.8
Paraguay	1.7			21.5		.4	.5		2.6	.4	3.0	3.2
Peru	8.9					.2	3.0		12.1	1.4	13.5	21.2
Portugal	6.3								6.3	.8	7.1	13.4
Spain	74.6	5.7		33.2	4.2		58.5	2.7	108.9	8.6	117.5	140.2
Thailand					1.9				1.9	.1	2.0	2.0
Turkey			1.4				8.9		36.4	7.7	44.1	65.4
United Kingdom	13.4	12.7			27.0				27.0	.2	27.2	27.2
Yugoslavia	76.1			18.1			10.8		105.0	18.1	123.1	199.4
Total agreements	257.8	70.7	66.7	200.5	81.2	19.9	157.1	30.1	954.0	87.1	1,041.1	1,509.0
Estimated shortfall												47.0
Estimated net obligation												1,462.0

¹ Includes only ocean transportation to be financed by CCC.

² Fruit.

³ Hay and pasture seeds, \$2,500,000; frozen beef, \$3,700,000.

⁴ Poultry.

⁵ Dry edible beans, \$300,000; chilled or frozen beef, \$10,000,000.

⁶ Canned pork.

⁷ Wheat to be sold to Spain for resale to Switzerland for financing procurement of Swiss goods by Spain.

⁸ Hams, \$1,000,000; potatoes, \$1,400,000; cotton lint, \$300,000.

TABLE III.—Approximate quantities of commodities under agreements signed through June 5, 1956, title I, Public Law 480

Country	Wheat (1,000 bushels)	Feed grains (1,000 bushels) ¹	Rice (1,000 hundred- weight)	Cotton (1,000 bales) ²	Tobacco (1,000 pounds)	Dairy products (1,000 pounds) ³	Fats and oils (1,000 pounds) ⁴	Poultry (1,000 pounds)	Dry edible beans (1,000 hundred- weight)	Fruit and vegetables (1,000 pounds)	Meat (1,000 pounds)	Hay and pasture seeds (1,000 hundred- weight)
Argentina	2,025	7,091		42.5	5,900		220,000			\$ 2,084		
Austria	18,995	2,205			100		\$ 16,552					
Brazil				125.0	1,500	14,385	\$ 11,000			\$ 2,350		
Burma	4,927			37.6	300	9,900	\$ 105,562				7 13,214	55
Colombia	2,612			48.3		3,307	14,141					
Ecuador	560			6.6	323		13,629					
Egypt	10,323											
Finland	3,557	750		36.1	9,990	1,163				\$ 11,000		
France					867			3,000				
Germany		2,366				21,264	44,986					
Greece	3,479											
Indonesia	2,894		5,516	257.2	23,000							
Iran	2,120					11,708	5,773				7 40,000	
Israel	6,426	6,082	7	15.5	550	10,793	18,450		37			
Italy	6,948	1,923		253.8	4,000		33,322					
Japan	30,754	12,227	2,111	308.6	9,629						7 21,000	
Korea	4,122	10,000		102.7	14,000	10,000	20,000					
Pakistan				141.3	3,650	4,000	\$ 3,105					
Paraguay	990		2,300			3,086	22,000					
Peru	5,040					621						
Portugal	3,753											
Spain	\$ 2,446	3,594		2 239.6			\$ 340,293			\$ 66,667	7 1,640	
Thailand												
Turkey	7,784	10,532	215				59,957					
United Kingdom												
Yugoslavia	44,120			114.4	39,489		87,964					
Total agreements	157,881	56,770	10,149	1,739.2	123,571	90,227	1,025,008	3,000	37	82,101	75,854	55

See footnotes, p. 8.

TABLE IV.—Planned uses of foreign currency under title I, Public Law 480 agree¹ts signed through June 5, 1956¹
[In millions of dollars]

Country	Total amount programed (market value including overseas transporta- tion)	Market de- velopment (104a)	Purchase of strategic material (104b)	Payment of United States obligations (104f) ²	International education exchange (104h)	Total United States uses (104a, b, f, and h) ²	Military procurement (104c)	Purchase of goods for other countries (104d)	Grants for multiple trade and economic de- velopment (104e)	Loans for multiple trade and economic de- velopment (104g)
Argentina	\$31.1	\$0.5	---	\$3.9	\$0.7	\$10.1	---	\$1.0	---	\$20.0
Austria	28.5	.7	\$0.8	8.5	.2	10.2	---	2.0	---	16.0
Brazil	41.8	.7	2.8	5.5	.9	9.9	---	---	---	31.3
Burma	21.7	---	---	21.7	---	21.7	---	---	---	---
Chile	39.6	.8	---	6.5	.6	7.9	---	---	---	31.7
Colombia	16.9	---	1.0	4.1	.5	6.4	---	---	---	10.0
Ecuador	4.0	---	---	.5	.2	.9	---	.5	---	3.1
Egypt	19.6	.2	---	2.0	1.0	4.0	---	---	---	13.6
Finland	22.3	---	---	21.8	.3	22.3	---	2.0	---	---
France	.7	.6	---	.1	---	---	---	---	---	---
Germany	1.2	1.1	---	---	---	1.2	---	---	---	---
Greece	20.5	.5	---	3.9	---	4.4	---	---	---	---
Indonesia	96.7	1.0	2.0	16.0	.3	19.3	---	---	\$7.5	8.5
Iran	12.2	---	---	3.3	.2	3.7	5.9	---	---	77.4
Israel	40.9	.4	---	8.2	.4	9.0	---	3.1	---	2.5
Italy	50.0	1.7	1.0	12.7	---	15.4	---	4.6	---	28.8
Japan	150.8	3.3	---	17.6	2.1	23.0	8.1	10.9	---	30.0
Korea	58.8	.5	---	12.9	---	13.4	45.4	---	---	108.8
Pakistan	46.3	1.6	---	6.3	---	7.9	25.9	---	---	12.5
Paraguay	3.0	.2	---	.9	.1	.8	---	---	---	2.2
Peru	13.5	.7	---	2.5	.6	3.8	---	9.7	---	9.7
Portugal	7.1	.3	---	2.9	.5	3.7	---	3.4	---	3.4
Spain	117.5	2.0	1.0	46.2	1.0	50.2	---	---	---	67.3
Thailand	2.0	.2	---	1.0	---	1.3	---	---	---	8
Turkey	44.1	.7	---	21.4	---	22.1	---	---	---	22.0
United Kingdom	27.2	---	---	27.2	---	27.2	---	---	---	---
Yugoslavia	123.1	.3	---	25.1	---	25.4	88.7	---	---	9.0
Total agreements	\$ 1,041.1	23.2	8.6	287.4	9.6	325.8	174.0	24.1	7.5	508.6
Uses as percent of total	100.0	2.0	.8	27.6	.9	31.3	16.7	2.3	.7	48.9

¹ Amounts shown on this table are subject to adjustment when actual purchases have been made.² In order to provide flexibility in the use of funds for United States uses, many agreements provide a total amount to be distributed among the several United States uses. In such instances amounts shown under subsec. (a), (b), and (h) are the best information available in regard to uses or contemplated uses under these subsections. Balances not otherwise distributed are shown under subsec. (f). This distribution is subject to revision when allocations have been completed.³ Total amount shown for the following countries includes amounts in excess of amounts provided in agreements, for which currency uses have not been specified:

Thousand dollars	
---	Austria
\$355	Brazil
610	Greece
92	Iran
116	---
1,153	Total

These unspecified uses represent 0.1 percent of total currency uses.

DEPARTMENTAL VIEWS

DEPARTMENT OF AGRICULTURE,
Washington, D. C., May 17, 1956.

THE PRESIDENT OF THE SENATE,
United States Senate.

DEAR MR. PRESIDENT: There is enclosed a proposed form of bill to amend title I of Public Law 480, the Agricultural Trade Development and Assistance Act of 1954, as amended.

The enclosed form of bill would increase the maximum amount authorized to be appropriated to reimburse the Commodity Credit Corporation for commodities disposed of and costs incurred, under title I of the act, from \$1.5 billion to \$3 billion.

Enactment of legislation to accomplish this purpose is recommended in order to permit orderly programing during the fiscal year 1957.

Since the inception of the title I program, agreements entered into involve a CCC cost of approximately \$1.258 billion. There is reasonable certainty of exhausting the existing authorization of \$1.5 billion within the next 2 months through signature of agreements now in negotiation. It is probable that if funds are available, total programing through the fiscal year will exceed \$1.5 billion.

On the basis of experience during the first 2 years under the act, it is anticipated that the programing for the fiscal year 1957, would proceed at about the same rate as programing has taken place in fiscal year 1956. This would require between \$700 and \$800 million for agreements entered into on a 1-year basis, plus the amount for first year's deliveries under 2- and 3-year programs. Prospects for the negotiation of agreements which would cover deliveries over periods of 2 and 3 years are good, and past experience under the program indicates that such agreements would be desirable. Taking into account the possibilities of forward programing, it is believed that agreements which we might expect to enter into by June 30, 1957, would bring the total of the program on the basis of CCC cost, since the beginning of operations, to approximately \$3 billion.

The proposed bill would further amend the act in two respects. It would amend section 104 (h) so as to permit the use of title I currencies in rendering assistance to American sponsored schools and bi-national centers provided for under the so-called Smith-Mundt Act. It would repeal section 304 of the act, which would permit the bartering of agricultural commodities with Soviet bloc countries but not sales for foreign currencies to such countries.

The Bureau of the Budget advises that there is no objection to the submission of this recommendation.

Sincerely,

E. T. BENSON, *Secretary.*

DEPARTMENT OF STATE,
Washington, May 31, 1956.

HON. ALLEN J. ELLENDER, Sr.,
Chairman, Committee on Agriculture and Forestry,
United States Senate.

DEAR SENATOR ELLENDER: The Department of State wishes to support the recommendation of the Department of Agriculture that title I of Public Law 480, the Agricultural Trade Development and Assistance Act of 1954, as amended, be further amended as indicated by the draft form of bill enclosed with the Department of Agriculture's letter of May 17, 1956, to the Speaker of the House of Representatives.

The Department wishes in particular to stress the foreign policy advantages which may be expected to flow from the enactment of sections 2 and 3 of the proposed bill.

Section 2 would amend section 104 (h) of the act by inserting the following language immediately before the period at the end of the section:

and for the providing of assistance to activities and projects authorized by section 203 of the United States Information and Educational Exchange Act of 1948, as amended (22 U. S. C. 1448)

This would permit the use of local currencies generated by sales of surplus agricultural commodities to assist American-sponsored schools located in a number of different countries. These schools, which have been founded and supported by the cooperative efforts of United States citizens and foreign nationals, constitute an important American influence because they train so many of the future national leaders of the countries in which they are located and of neighboring countries. They are often regarded as models by the local schools, and their methods are widely copied. However, their budgets are inadequate, with resultant limitation of their physical capacities and inability to hire a sufficient number of qualified teachers from the United States. Public Law 480 funds could do much to correct these deficiencies.

Section 3 would repeal section 304 of the act, thus authorizing greater flexibility in making trade offers involving the disposal of surplus agricultural commodities to the Soviet bloc. The Department of State supports repeal of section 304 because we are convinced that we should, as the President indicated in his agricultural message of January 9, 1956, place ourselves in a position to take advantage of any opportunities clearly to our interest which may develop in the future to find markets in such countries for agricultural products.

Sincerely yours,

ROBERT C. HILL,
Assistant Secretary
(For the Acting Secretary of State).

CHANGES IN EXISTING LAW

In compliance with subsection (4) of rule XXIX of the Standing Rules of the Senate, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italics, existing law in which no change is proposed is shown in roman):

AGRICULTURAL TRADE DEVELOPMENT AND ASSISTANCE ACT OF 1954

TITLE I—SALES FOR FOREIGN CURRENCY

* * * * * *

SEC. 103. * * *

(b) Transactions shall not be carried out under this title which will call for appropriations to reimburse the Commodity Credit Corporation, pursuant to subsection (a) of this section, in amounts in excess of **[\$1,500,000,000]** *\$3,000,000,000*. This limitation shall not be apportioned by year or by country, but shall be considered as an objective as well as a limitation, to be reached as rapidly as possible so long as the purposes of this Act can be achieved within the safeguards established.

SEC. 104. Notwithstanding section 1415 of the Supplemental Appropriation Act, 1953, or any other provision of law, the President may use or enter into agreements with friendly nations or organizations of nations to use the foreign currencies which accrue under this title for one or more of the following purposes:

* * * * * *

(h) For the financing of international educational exchange activities under the programs authorized by section 32 (b) (2) of the Surplus Property Act of 1944, as amended (50 U. S. C. App. 1641 (b)) *and for the providing of assistance to activities and projects authorized by section 203 of the United States Information and Educational Exchange Act of 1948, as amended (22 U. S. C. 1448).*

* * * * * *

TITLE III—GENERAL PROVISIONS

* * * * * *

SEC. 304. (a) The President shall exercise the authority contained **[herein]** *in title I of this Act* (1) to assist friendly nations to be independent of trade with the U. S. S. R. **[or]** *and with* nations dominated or controlled by the U. S. S. R. **[for food, raw materials and markets,]** and (2) to assure that agricultural commodities sold or transferred **[hereunder]** *thereunder* do not result in increased availability of those or like commodities to unfriendly nations.

(b) *Nothing in this Act shall be construed as authorizing transactions under title I or title III with the Union of Soviet Socialist Republics or Communist China or North Korea.*

(SEC. 4 makes the following acts inapplicable to sales of fruit and fruit products from private stocks under title I of Public Law 480.)

ACT OF MARCH 26, 1934, AS AMENDED

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That it is the sense of Congress that in any loans made by the Reconstruction Finance Corporation or any other instrumentality of the Government to foster the exporting of agricultural or other products, provision shall be made that such products shall be carried exclusively in vessels of the United States, unless, as to any or all of such products, the United States Maritime

Commission, after investigation, shall certify to the Reconstruction Finance Corporation or any other instrumentality of the Government that vessels of the United States are not available in sufficient numbers, or in sufficient tonnage capacity, or on necessary sailing schedule, or at reasonable rates.

**SECTION 901 (b) OF THE MERCHANT MARINE ACT OF 1936, AS
AMENDED (ADDED BY THE ACT OF AUGUST 26, 1954)**

(b) Whenever the United States shall procure, contract for, or otherwise obtain for its own account, or shall furnish to or for the account of any foreign nation without provision for reimbursement, any equipment, materials, or commodities, within or without the United States, or shall advance funds or credits or guarantee the convertibility of foreign currencies in connection with the furnishing of such equipment, materials, or commodities, the appropriate agency or agencies shall take such steps as may be necessary and practicable to assure that at least 50 per centum of the gross tonnage of such equipment, materials, or commodities (computed separately for dry bulk carriers, dry cargo liners, and tankers), which may be transported on ocean vessels shall be transported on privately owned United States-flag commercial vessels, to the extent such vessels are available at fair and reasonable rates for United States-flag commercial vessels, in such manner as will insure a fair and reasonable participation of United States-flag commercial vessels in such cargoes by geographic areas: *Provided*, That the provisions of this subsection may be waived whenever the Congress by concurrent resolution or otherwise, or the President of the United States or the Secretary of Defense declares that an emergency exists justifying a temporary waiver of the provisions of section 901 (b) and so notifies the appropriate agency or agencies: *And provided further*, That the provisions of this subsection shall not apply to cargoes carried in the vessels of the Panama Canal Company. Nothing herein shall repeal or otherwise modify the provisions of Public Resolution Numbered 17, Seventy-third Congress (48 Stat. 500), as amended.



Calendar No. 2313

84TH CONGRESS
2D SESSION

S. 3903

[Report No. 2290]

IN THE SENATE OF THE UNITED STATES

MAY 21 (legislative day, MAY 7), 1956

Mr. ELLENDER (by request) introduced the following bill; which was read twice and referred to the Committee on Agriculture and Forestry

JUNE 22, 1956

Reported by Mr. ELLENDER, with an amendment

[Omit the part struck through and insert the part printed in italic]

A BILL

To amend the Agricultural Trade Development and Assistance Act of 1954, as amended, so as to increase the amount authorized to be appropriated for purposes of title I of the Act, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That section 103 (b) of the Agricultural Trade Development
4 and Assistance Act of 1954, as amended (Public Law 480,
5 83d Congress), is amended by striking out “\$1,500,000,-
6 000” and inserting in lieu thereof “\$3,000,000,000”.

7 SEC. 2. Section 104 (h) of the Act is amended by
8 inserting the following language immediately before the
9 period at the end of the section: “and for the providing of

1 assistance to activities and projects authorized by section 203
2 of the United States Information and Educational Exchange
3 Act of 1948, as amended (22 U. S. C. 1448) ”.

4 ~~SEC. 3. Section 304 of the Act is hereby repealed.~~

5 *SEC. 3. Section 304 of the Act is amended to read as*
6 *follows:*

7 *“SEC. 304. (a) The President shall exercise the author-*
8 *ity contained in title I of this Act (1) to assist friendly*
9 *nations to be independent of trade with the Union of Soviet*
10 *Socialist Republics and with nations dominated or controlled*
11 *by the Union of Soviet Socialist Republics and (2) to assure*
12 *that agricultural commodities sold or transferred thereunder*
13 *do not result in increased availability of those or like com-*
14 *modities to unfriendly nations.*

15 *“(b) Nothing in this Act shall be construed as author-*
16 *izing transactions under title I or title III with the Union*
17 *of Soviet Socialist Republics or Communist China or North*
18 *Korea.”*

19 *SEC. 4. Sales of fruit and the products thereof from*
20 *privately owned stocks under title I of the Act shall be exempt*
21 *from the requirements of the cargo preference laws (Public*
22 *Resolution 17, Seventy-third Congress (15 U. S. C. 616a)*
23 *and section 901 (b) of the Merchant Marine Act, 1936 (46*
24 *U. S. C. 1241 (b)).*

84TH CONGRESS
2D SESSION

S. 3903

[Report No. 2290]

A BILL

To amend the Agricultural Trade Development and Assistance Act of 1954, as amended, so as to increase the amount authorized to be appropriated for purposes of title I of the Act, and for other purposes.

By Mr. FLENDER

MAY 21 (legislative day, MAY 7), 1956
Read twice and referred to the Committee on
Agriculture and Forestry

JUNE 22, 1956

Reported with an amendment

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued June 26, 1956
For actions of June 25, 1956
84th-2nd, No. 105

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HIGHLIGHTS: House received conference reports on: Public works appropriation bill. Labor-HEW appropriation bill. Road bill. House committee reported trip leasing bill. Senate subcommittee ordered reported area development bill.

SENATE

1. DEFENSE PRODUCTION. Senate and House conferees were appointed on H. R. 9852, to extend the Defense Production Act of 1950. pp. 9832, 9846
2. EXPORT CONTROLS. Senate and House conferees were appointed on H. R. 9052, to extend the Export Control Act of 1949. pp. 9832, 9846
3. NATURAL RESOURCES. The Interior and Insular Affairs Committee reported with amendment S. J. Res. 139, to provide for the observance and commemoration of the fiftieth anniversary of the first conference of State governors for the protection of the natural resources of the U. S. (S. Rept. 2299). p. 9789
4. APPROPRIATIONS. Continued debate on H. R. 10986, the Defense Department appropriation bill for 1957. pp. 9796, 9804, 9822
5. AREA REDEVELOPMENT. The Labor and Public Welfare Subcommittee on Labor ordered reported to the full committee with an amendment in the nature of a substitute S. 2663, to establish an effective program to alleviate conditions of excessive unemployment in certain economically depressed areas. p. D675

6. FOREIGN AFFAIRS. Sen. Humphrey spoke in favor of legislation to strengthen international relations through cultural and athletic exchanges and participation in international fairs and festivals, and inserted two articles on the subject. p. 9843
7. LEGISLATIVE PROGRAM. Sen. Johnson announced that the mutual security bill may be considered today. p. 9795
8. MARKETING. The Judiciary Committee reported with amendment S. 2891, to prohibit the use by certain businesses of the initials "U. S." in the business or firm name, or pictures of the Capitol Building and other public buildings of the U. S. in their advertising (S. Rept. 2351). p. 9789
9. COMMODITY CREDIT CORPORATION. S. 3820, as reported (see Digest 104), increases CCC borrowing authority by \$2.5 billion, an increase of \$500 million above the bill as introduced. The committee report includes the following statement:
"Since this bill was introduced the Soil Bank Act was enacted, providing for the use of the Corporation's funds in advance of appropriation until June 30, 1957, to finance operations under that act. Firm estimates as to the effect of the Soil Bank Act on the Corporation's need for borrowing authority are not feasible at this time and the committee therefore recommends amendments to the bill increasing the Corporation's borrowing authority by an additional half billion dollars to \$4.5 billion, which it is believed will carry the Corporation through May of next year when more accurate estimates of needs can be made."
10. FOREIGN AID; SURPLUS COMMODITIES. H. R. 11356, as reported (see Digest 101), includes the following provisions: authorizes use of development assistance funds for nonadministrative expenses to assist in carrying out functions delegated to ICA under the Agricultural Trade Development and Assistance Act. Authorizes appropriation of \$157,500,000 for various programs of technical cooperation in fiscal year 1957. Authorizes \$3 million for payment of ocean freight charges on relief goods shipped by voluntary agencies. Authorizes \$1,500,000 for administrative expenses arising from ICA's administration of foreign currencies received for sales of surplus agricultural commodities under title 1 of the Agricultural Trade Development and Assistance Act. Increases the ceiling on U. S. contributions to the Food and Agriculture Organization from \$2 million a year to \$3 million a year, with a proviso that in no case can our contributions exceed 31.5% of the total annual budget of the organization. Exempts from the 50-50 cargo-preference law shipments between foreign countries of commodities procured with foreign currencies received for surplus agricultural commodities under the Agricultural Trade Development and Assistance Act. Amends the Agricultural Trade Development and Assistance Act so as to require that at least 5% of the aggregate of the currencies shall be used for student-exchange programs and to permit use of not over \$5 million annually of the currencies for translation, publication, and dissemination of books and periodicals abroad. Expresses it as the sense of Congress that the President should explore with other nations the establishment of an International Food and Raw Materials Reserve under auspices of the UN and related international organizations.
As reported (see Digest 104), S. 3903 amends the Agricultural Trade Development and Assistance Act so as to increase from \$1.5 billion to \$3 billion the amount under title 1, to permit foreign currencies acquired under the title to be used to assist American-sponsored schools abroad, to remove barter transactions from the purview of the provision against trade with Iron Curtain countries, and to exempt sales of fruit and fruit products from private stocks under title 1 of the Act from the cargo preference laws.

Senate 7/2/56

SURPLUS COMMODITIES.

- 16./S. 3903, to increase the amount under title 1 of the Agricultural Trade Development and Assistance Act, was made the unfinished business. pp. 10440, 10485
17. CCC BORROWING POWER. Sen. Ellender urged prompt consideration of S. 3820, to increase the borrowing power of CCC. p. 10440

HOUSE

18. RECLAMATION. Conferees were appointed on S. 1622, to authorize the Secretary of the Interior to make payment for certain improvements located on public lands in the Rapid Valley unit, S. Dak., of the Missouri River Basin project. Senate conferees were appointed on June 29. p. 10499
19. WATERSHEDS. Passed without amendment H. R. 11873, to decrease the Congressional review period of projects under the Watershed Protection and Flood Prevention Act from 45 days to 15 days. p. 10515
20. PENALTY MAIL. Passed as reported S. 1871, to extend the penalty mail Act to Extension Directors and Experiment Stations. p. 10509
21. POSTAL RATES. Agreed to a resolution providing for the consideration of H. R. 11380, to readjust postal rates and to establish a congressional policy for the determination of postal rates. p. 10546
22. FOREIGN AID. Conferees were appointed on H. R. 11356, the mutual security bill. Senate conferees were appointed June 29. p. 10533
23. LAND TRANSFERS. Passed as reported H. R. 8817, to provide for the transfer of certain lands to Corbin, Ky. p. 10514
The Agriculture Committee reported without amendment H. R. 9678, to provide for the transfer of the Baronof Castle site (formerly research land) to Sitka, Alaska (H. Rept. 2571). p. 10561
The Forests Subcommittee of the Agriculture Committee ordered reported to the full committee H. R. 11895, to authorize the interchange of lands between the USDA and the military departments of the Defense Department. p. D726
24. FORESTRY. Passed without amendment H. R. 9339, to authorize the exchange of certain lands in Union County, Ga. for lands within the Chattahoochee National Forest, Ga. p. 10514
The Agriculture Committee reported without amendment S. 2517, to release certain Tongass National Forest receipts from escrow (H. Rept. 2568). p. 10561
25. MILK. Passed without amendment H. R. 11375, to further extend the special school milk program to certain institutions for the care and training of children whether or not underprivileged. p. 10515
26. SEED. Passed without amendment S. 1688, to remove the criminal penalty for inadvertent violations of the Federal Seed Act and to prescribe civil penalties for such violations of the Act. This bill is now ready for the President. p. 10516
27. COMMODITY EXCHANGES. Passed as reported H. R. 9333, to give to certain consuming processors of cotton the privilege of buying cotton futures contracts in certain cases. p. 10516
28. TRANSPORTATION. At the request of Rep. Ford, after some discussion, passed over S. 898, to amend the Interstate Commerce Act, with respect to the authority of

the Interstate Commerce Commission to regulate the use by motor carriers (under leases, contracts, or other arrangements) of motor vehicles not owned by them, in the furnishing of transportation of property. p. 10512

29. CONTRACTS. The Ways and Means Committee reported on June 30 with amendment H. R. 11947, to extend and amend the Renegotiation Act of 1951 (H. Rept. 2549). p. 10560

30. SOIL CONSERVATION. The Agriculture Committee reported without amendment H. R. 8321, to further extend the period of Federal administration of the ACP program from Jan. 1, 1957 to Jan. 1, 1959 (H. Rept. 2570). p. 10561

31. PERSONNEL. Passed without amendment S. 1542, to authorize an allowance for civilian officers and employees of the Government who are notaries public. This bill is now ready for the President. p. 10508

At the request of Rep. Gross, passed over S. 1815, to permit the exchange of employees of the USDA and employees of State-local political subdivisions or educational institutions. p. 10515

Passed without amendment H. R. 11923, to provide for the conferring of an award to be known as the Medal for Distinguished Civilian Achievement. p. 10519

The Executive and Legislative Reorganization Subcommittee of the Government Operations Committee ordered reported to the full committee H. R. 11515, to provide for the payment of travel and transportation costs of persons selected for appointment to certain positions in the U. S. and Alaska. p. D726

32. RECORDS. At the request of Rep. Cunningham, passed over S. 2364, to clarify GS authority over records management. p. 10499

33. WATER PLANTS. Passed without amendment H. R. 11636, to amend Chapter 3 of Title 18, U. S. Code, to provide penalties for the transportation, sale of, or advertising for sale, in interstate commerce, of water hyacinth plants, water chestnut plants, or alligator grass. p. 10505

34. BUILDINGS. Passed without amendment S. 3866, to facilitate the making of lease purchase agreements by GSA by deleting the requirement for approval of purchase contract agreements by the Director of the Bureau of the Budget and adding a requirement that the project statement by the Director shall be based on budgetary and related considerations, and not deemed to constitute approval of specific terms or provisions of any proposed agreement or of the selection of any particular contractor or lessor. This bill is now ready for the President. p. 10510.

35. WEATHER. Passed without amendment S. 2913, to extend for two years (until June 30, 1958) the Advisory Committee on Weather Control. This bill is now ready for the President. p. 10510

36. RESEARCH; ORGANIZATION. Passed without amendment H. R. 11575, to provide for an Assistant Secretary for Research and Development for each of the three military departments within the Defense Department. p. 10524

37. FLOOD CONTROL. Passed with amendment S. 3272, to increase and make certain revisions in the general authorization for small flood control projects. A similar bill, H. R. 9555, was laid on the table. p. 10529

ure necessary to carry out the original understanding.

Mr. MORSE. Mr. President, I certainly have no objection to such an arrangement. I am raising the question only so that the record may show there is quite a difference between water and oil. This being water, we are establishing no precedent for oil. The bill being limited to water, I certainly want the people to have an adequate supply of it.

The PRESIDING OFFICER. Is there objection to the consideration of the bill?

There being no objection, the bill was considered, ordered to a third reading, read the third time, and passed.

USE OF CERTAIN PROPERTY IN VOLUSIA COUNTY, FLA., FOR CIVIL-DEFENSE PURPOSES

The bill (H. R. 5657) to allow the use of certain property in Volusia County, Fla., for civil-defense purposes without payment of compensation to the United States was considered, ordered to a third reading, read the third time, and passed.

RELEASE OF RIGHT, TITLE, AND INTEREST OF THE UNITED STATES IN CERTAIN LAND, MONTGOMERY, W. VA.

The Senate proceeded to consider the bill (S. 976) to provide for the release of the right, title, and interest on parcel of land conditionally granted by the United States to the city of Montgomery, W. Va., which had been reported from the Committee on Armed Services with an amendment to strike out all after the enacting clause and insert:

That the Secretary of the Army is authorized to modify by appropriate written instrument the exception and reservation to the United States of America in the deed executed by the Secretary of War on December 13, 1938, pursuant to the act of Congress approved June 14, 1938 (52 Stat. 675), of the perpetual right to flood such part of the 8 $\frac{3}{10}$ acres conveyed to the town of Montgomery, W. Va., as may be necessary from time to time in the interests of navigation so as to limit such exception and reservation to the portion of the 8 $\frac{3}{10}$ acres located below elevation 619 feet, mean sea level, and to release by appropriate written instrument to the city of Montgomery, W. Va., such restrictions and conditions imposed by section 2 of said act of June 14, 1938, and included in the deed granted pursuant thereto: *Provided*, That any release by the Secretary of the Army of the restrictions and conditions imposed by section 2 of said act of June 14, 1938, shall be effective only in the event the land described in such act is conveyed to the State of West Virginia within 1 year from the date of enactment of this act on condition that it shall be used for National Guard or other military purposes.

If the State of West Virginia shall cease to use the property for the purpose intended then the title thereto shall immediately revert to the United States and, in addition, all improvements made by the State of West Virginia during its occupancy shall vest in the United States without payment or compensation therefor.

The conveyance of the property authorized by this act shall be upon the further provision that whenever the Congress of the United States declares a state of war or other national emergency, or the President declares a state of emergency, and upon the deter-

mination by the Secretary of Defense that the property conveyed under this act is useful or necessary for military, air, or for naval purposes, or in the interest of national defense, the United States shall have the right, without obligation to make payment of any kind, to reenter upon the property and use the same or any part thereof, including any and all improvements made thereon by the State of West Virginia, for the duration of such state of war or of such emergency. Upon the termination of such state of war or of such emergency, plus 6 months, such property shall revert to the State of West Virginia, together with all appurtenances and utilities belonging or appertaining thereto.

All mineral rights, including gas and oil, in the lands authorized by this act shall be reserved to the United States.

The cost of any surveys necessary as an incidence to the conveyance authorized herein shall be borne by the State of West Virginia.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

Mr. STENNIS. Mr. President, I ask unanimous consent to have printed at this point a statement which I have prepared on the bill.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR STENNIS

The purpose of this bill is to authorize and direct the Secretary of the Army to relinquish restrictions placed on approximately 8.3 acres of land in Kanawha County, W. Va., in order that the West Virginia National Guard may construct an armory thereon.

The acreage involved was conditionally conveyed to the town of Montgomery in Kanawha County by the Secretary of War, by deed dated December 13, 1938, with the Government retaining the right to overflow the land whenever necessary in the interest of navigation.

The West Virginia National Guard has a requirement for a site in the vicinity on which to construct an armory and this tract is considered to be the most ideal location. The Department of the Army reports that the requirement which resulted in the retention of the right to flood this area has since been modified sufficiently to allow the land to be utilized for the purposes desired by the National Guard.

The bill contains the usual recapture rights in the event of a national emergency, and provides for the return of the property to the Federal Government if it ceases to be utilized for National Guard or military purposes.

CONVEYANCE OF TRACT OF LAND TO THE STATE OF VIRGINIA

The bill (S. 3404) to direct the Secretary of the Army or his designee to convey an 11 $\frac{1}{4}$ -acre tract of land situated in the vicinity of Williamsburg, Va., to the State of Virginia, was announced as next in order.

Mr. MORSE. Mr. President, may we have an explanation of the bill?

Mr. STENNIS. Mr. President, I have an explanation of the bill—

Mr. MORSE. Mr. President, I think I understand the situation.

The bill would authorize the Secretary of the Army or his designee to convey by quitclaim deed, without consideration, an 11 $\frac{1}{4}$ -acre tract of land situated in the vicinity of Williamsburg to the State of Virginia. This tract is to be used for

training of the Virginia National Guard and for other military purposes. This tract is a part of 9,860 acres acquired by the Department of the Navy in 1942 for the establishment of Camp Peary.

Mr. STENNIS. The Senator is correct. It provides for the return of the property to the Government if it ceases to be used for National Guard or military purposes.

Mr. MORSE. Mr. President, I have no objection.

The PRESIDING OFFICER. Is there objection to the consideration of the bill?

There being no objection, the Senate proceeded to consider the bill which had been reported from the Committee on Armed Services with an amendment on page 4, line 16, after the word "or", where it appears the second time, to strike out "or" and insert "for", so as to make the bill read:

Be it enacted, etc., That the Secretary of the Army or his designee is authorized and directed to convey by quitclaim deed, without consideration, to the State of Virginia, all right, title, and interest of the United States, except as retained in this act, in and to 11 $\frac{1}{4}$ acres of land situated in York County, Va., and being a part of the lands at the Armed Forces Experimental Training Activity, Camp Peary, near Williamsburg, Va. The 11 $\frac{1}{4}$ acre tract of land to be conveyed to the State of Virginia is more particularly described as follows:

Beginning at a point in the southwestern boundary line of the Camp Peary Reservation where the Government's southwestern property line intersects the centerline of Queen's Creek; said point of beginning is also the farthestmost point west that the Government's boundary line traverses the centerline of Queen's Creek; thence from the said point of beginning along the property line of the Government north 41 degrees 58 minutes 20 seconds west 84.14 feet to a concrete monument; thence north 41 degrees 58 minutes 20 seconds west 150.13 feet to a concrete monument in a corner of the Government's southwestern boundary line; thence continuing along the property line of the Government north 51 degrees 15 minutes east 1,374.04 feet to a concrete monument; thence south 35 degrees 04 minutes east, through property of the Government, 2,683.73 feet to the true point of beginning; thence, from said true point of beginning, south 69 degrees 49 minutes east 837 feet to a point on the northwestern right-of-way line of Virginia State Highway Route No. 132; thence southwesterly along said right-of-way line, and on a curve to the right, with a radius of 2,746.79 feet an arc distance of 911.09 feet to a point; thence, continuing along said right-of-way line south 53 degrees 59 minutes west 108.87 feet to a point; thence north 15 degrees 06 minutes west 743.28 feet to a point; thence north 24 degrees 52 minutes east 310.54 feet to the true point of beginning, containing 11.25 acres, more or less, and shown on District Public Works Office, Fifth Naval District, drawing No. 46265, entitled "Camp Peary, Williamsburg, Va."

SEC. 2. All mineral rights, including gas and oil, in the lands authorized to be conveyed by this act shall be reserved to the United States.

SEC. 3. There shall be further reserved to the United States in the conveyance of the above-described lands, rights of ingress and egress over roads in the above-described lands serving buildings or other works operated by the United States or its successors or assigns in connection with the remaining portion of the lands at the Armed Forces Experimental Training Activity, Camp Peary,

near Williamsburg, Va., rights-of-way for water lines, sewer lines, telephone and telegraph lines, power lines, and such other utilities which now exist, or which may become necessary to any operations of the United States on or in connection with the remaining portion of said lands at the Armed Forces Experimental Training Activity, Camp Peary, near Williamsburg, Va.

SEC. 4. The conveyance of the property authorized by this act shall be upon condition that such property shall be used for training of the National Guard and the Air National Guard and for other military purposes, and that if the State of Virginia shall cease to use the property so conveyed for the purposes intended, then title thereto shall immediately revert to the United States, and in addition, all improvements made by the State of Virginia during its occupancy shall vest in the United States without payment of compensation therefor.

SEC. 5. The conveyance of the property authorized by this act shall be upon the further provision that whenever the Congress of the United States declares a state of war or other national emergency, or the President declares a state of emergency, and upon the determination by the Secretary of Defense that the property conveyed under this act is useful or necessary for military, air, or for naval purposes, or in the interest of national defense, the United States shall have the right, without obligation to make payment of any kind, to reenter upon the property and use the same or any part thereof, including any and all improvements made thereon by the State of Virginia, for the duration of such state of war or of such emergency. Upon the termination of such state of war or of such emergency, plus 6 months, such property shall revert to the State of Virginia, together with all appurtenances and utilities belonging or appertaining thereto.

SEC. 6. In executing the deed of conveyance authorized by this act, the Secretary of the Army or his designee shall include specific provisions covering the reservations and conditions contained in sections 2, 3, 4, and 5 of this act.

SEC. 7. The cost of any surveys necessary as an incident to the conveyance authorized herein shall be borne by the State of Virginia.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

DEVELOPMENT OF FEDERAL FISH HATCHERY, PITTSFORD, VT.

The bill (S. 3998) to provide for the development of the Federal fish hatchery, known as the Holden trout hatchery at Pittsford, Vt., was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted etc., That the Secretary of the Interior shall develop, reconstruct, equip, operate, and maintain the Federal fish hatchery, known as the Holden trout hatchery, at Pittsford, Vt., in accordance with the program established by the Fish and Wildlife Service, Department of the Interior, for the improvement of such hatchery.

SEC. 2. There is authorized to be appropriated the sum of \$220,000 to carry out the provisions of this act.

BILL PASSED OVER

The bill (S. 1384) to provide that the Secretary of the Army shall return certain mineral interests in land acquired by

him for flood-control purposes to the former owners of such land, was announced as next in order.

Mr. PURTELL. Over, Mr. President.

Mr. STENNIS. Mr. President, that bill is of such a nature that I think it should be passed to the motion calendar, and I ask that it be passed over with the expectation of asking the majority leader to have the Senate take the bill up at a later time on motion.

The PRESIDING OFFICER. The Chair will advise that the bill will remain upon the Calendar, and that it will be the responsibility of the majority leader and the policy committee to determine when to bring it up for consideration.

Mr. STENNIS. Mr. President, I object to its being considered at this time.

The PRESIDING OFFICER. The bill will be passed over.

INCREASE IN BORROWING POWER OF COMMODITY CREDIT CORPORATION

The bill (S. 3820) to increase the borrowing power of the Commodity Credit Corporation was announced as next in order.

Mr. PURTELL. Mr. President, may we have an explanation of the bill?

Mr. ELLENDER. Mr. President, this is a bill which seeks to increase the borrowing power of the Commodity Credit Corporation. The Department originally asked for an increase.

Mr. PURTELL. Mr. President, I ask that the bill go over, because it is not a proper bill for calendar business.

Mr. ELLENDER. Mr. President, I express the hope that this bill, as well as the following one, which I assume will go over for the same reason, will be fixed for consideration at an early date. Both the bills are very important.

The PRESIDING OFFICER. The Senator from Louisiana stated that it was his hope that Calendar No. 2312, S. 3820, and Calendar No. 2313, S. 3903, would go over, so that they could be called up on motion at the appropriate time for consideration by the Senate.

Mr. ELLENDER. I would not have any objection to considering the bills now; but since there is objection, I express the hope that arrangements will be made to have the bills considered, so that they can be enacted at an early date.

Mr. PURTELL. I have no particular objection at all to having the bills called up on motion, nor will I have objection to them when they are. But I think the bills are of such a nature that they ought not be passed on the unanimous-consent calendar.

Mr. JOHNSTON of South Carolina. Mr. President, I also urge that the bills be called up on motion in the near future. Both bills came from and were recommended by the Department of Agriculture. The Department needs the money in connection with the soil bank program. For that reason, I hope the consideration of the bills will be expedited as much as possible.

The PRESIDING OFFICER. Objection is heard, and Calendar No. 2312, S. 3820, will be passed over.

BILL PASSED OVER

The bill (S. 3903) to amend the Agricultural Trade Development and Assistance Act of 1954, as amended, so as to increase the amount authorized to be appropriated for purposes of title I of the act, and for other purposes, was announced as next in order.

Mr. PURTELL. Over.

The PRESIDING OFFICER. The bill will be passed over.

Mr. PURTELL. Mr. President, may I inquire what disposition was made of Calendar No. 2311?

The PRESIDING OFFICER. The Chair will advise the Senator from Connecticut that Calendar No. 2311 was passed previously.

TRANSPORTATION OF MAIL BY HIGHWAY POST OFFICE SERVICE

The Senate proceeded to consider the bill (S. 2634) relating to the transportation of mail by highway post-office service, and for other purposes, which had been reported from the Committee on Post Office and Civil Service with amendments, on page 2, line 25, after the word "contract", to insert "Each such contract shall contain a provision providing for its cancellation by the Postmaster General and may provide for an indemnity payment by the Postmaster General in the event of such cancellation.", and on page 4, line 4, after the word "may", to strike out "provide" and insert "contract for", so as to make the bill read:

Be it enacted, etc., That this act may be cited as the "Highway Post Office Service Act of 1955."

SEC. 2. The Postmaster General may provide highway post-office service, either by contract or Government-owned motor vehicle, for carrying the mails and postal employees on routes between points where, in his judgment, conditions justify the operation of such service. The motor vehicles shall be especially designed and equipped for the distribution of mail en route and shall be constructed, fitted up, maintained, and operated in accordance with such specifications, rules, and regulations as the Postmaster General may prescribe.

SEC. 3. Contracts for highway post-office service shall be obtained in accordance with section 3709 of the Revised Statutes as amended (41 U. S. C. 5).

SEC. 4. (a) The Postmaster General may make contracts for highway post-office service for terms not to exceed 6 years.

(b) The Postmaster General may make provisions in contracts for highway post-office service for increasing or decreasing the mileage, increasing or decreasing the hours of service required or for other service changes. He may also provide in such contracts for the readjustment of compensation paid thereunder, either upward or downward to reflect such changes, and to reflect increased or decreased costs attributable to changed conditions occurring during the contract term over which the Postmaster General or the contractor have no control and which could not reasonably have been foreseen at the time the original bid was made or the proposal for renewal filed.

(c) Contracts for highway post-office service may provide for the imposition or remission of fines and penalties by the Postmaster General for delinquencies in the performance of the contract. Each such contract shall contain a provision providing for its

that the action of the committee will be approved and that the bill will be speedily enacted.

The PRESIDING OFFICER. The bill is open to amendment.

If there be no amendment to be proposed, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed, and the bill to be read a third time.

The bill (H. R. 7089) was read the third time, and passed.

Mr. BYRD. Mr. President, I move that the Senate insist upon its amendments to the bill, request a conference thereon with the House of Representatives, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. BYRD, Mr. GEORGE, Mr. KERR, Mr. MILLIKIN, and Mr. MARTIN of Pennsylvania conferees on the part of the Senate.

Mr. BYRD. Mr. President, I ask unanimous consent that House bill 7089 be printed with the Senate amendments numbered.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT OF AGRICULTURAL TRADE DEVELOPMENT AND ASSISTANCE ACT OF 1954

Mr. CLEMENTS. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 2313, Senate bill 3903.

The PRESIDING OFFICER. The bill will be stated by title, for the information of the Senate.

The LEGISLATIVE CLERK. A bill (S. 3903) to amend the Agricultural Trade Development and Assistance Act of 1954, as amended, so as to increase the amount authorized to be appropriated for purposes of title I of the act, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Kentucky.

The motion was agreed to; and the Senate proceeded to consider the bill (S. 3903) to amend the Agricultural Trade Development and Assistance Act of 1954, as amended, so as to increase the amount authorized to be appropriated for purposes of title I of the act, and for other purposes, which had been reported from the Committee on Agriculture and Forestry with an amendment.

Mr. HOLLAND. Mr. President, will the Senator from Kentucky yield for a question?

Mr. CLEMENTS. I am glad to yield to the Senator from Florida.

Mr. HOLLAND. First, let me say that I appreciate very much the action of the distinguished acting majority leader in having Calendar No. 2313, Senate bill 3903, made the unfinished business.

Let me ask whether it is his intention to have the bill debated this afternoon; or is it contemplated that when the distinguished Senator from New Mexico [Mr. ANDERSON] has completed the remarks which he intends to make, the Senate will take a recess until tomorrow?

Mr. CLEMENTS. I may say to my friend, the Senator from Florida, that it is the intention of the acting majority leader that Calendar No. 2313, Senate bill 3903, shall be the first order of business on tomorrow, following the morning hour.

Mr. HOLLAND. I thank the distinguished Senator from Kentucky.

LEGISLATIVE PROGRAM

Mr. CLEMENTS. Mr. President, for the information of the Senate, I should like to announce a few bills which are likely to be taken up. These bills are in addition to those previously announced as ready for consideration by the Senate:

Calendar No. 2407, House bill 11926, to amend the Atomic Energy Act of 1954 to permit the negotiation of commercial leases at atomic energy communities, and for other purposes;

Calendar No. 2310, Senate bill 1384, to provide that the Secretary of the Army shall return certain mineral interests in land acquired by him for flood-control purposes to the former owners of such land;

Calendar No. 2375, Senate bill 2891, to amend section 709 of title 18 of the United States Code so as to prohibit the use of certain businesses of the initials "U. S." in the business or firm name or pictures of the Capitol Building and other public buildings of the United States in their advertising and to increase the penalties for violation of such section; and

Calendar No. 2395, House bill 7663, to provide for settlement in part of certain claims of the Uintah and White River Bands of Ute Indians.

Mr. CLEMENTS subsequently said: Also on tomorrow there will be scheduled Calendar No. 1748, House bill 5566, a bill to terminate the existence of the Indian Claims Commission, and for other purposes; also House bill 11740, to increase the public debt limit, which was reported today by the Committee on Finance.

DESIGNATION OF ACTING PRESIDENT PRO TEMPORE

The legislative clerk read the following letter:

UNITED STATES SENATE,
PRESIDENT PRO TEMPORE,
Washington, D. C., July 2, 1956.

To the Senate:

Being temporarily absent from the Senate, I appoint Hon. J. ALLEN FREAR, JR., a Senator from the State of Delaware, to perform the duties of the Chair during my absence.

WALTER F. GEORGE,
President pro tempore.

Mr. FREAR thereupon took the chair as Acting President pro tempore.

MESSAGE FROM THE HOUSE—ENROLLED JOINT RESOLUTION SIGNED

A message from the House of Representatives, by Mr. Maurer, its reading clerk, announced that the Speaker had affixed his signature to the enrolled joint resolution (H. J. Res. 671) making tem-

porary appropriations for the fiscal year 1957, and for other purposes, and it was signed by the Acting President pro tempore.

EXPRESSIONS OF SYMPATHY TO THE PEOPLE OF POZNAN

Mr. ANDERSON obtained the floor.

Mr. HUMPHREY of Minnesota. Mr. President, will the Senator from New Mexico yield to me?

Mr. ANDERSON. Yes, Mr. President, provided I may do so without losing my right to the floor. I so request.

The ACTING PRESIDENT pro tempore. Is there objection? Without objection, it is so ordered.

Mr. HUMPHREY of Minnesota. I thank the Senator from New Mexico.

Mr. President, out of order, and with the considerate cooperation of the Senator from New Mexico, on behalf of myself, the Senator from Illinois [Mr. DOUGLAS], and the Senator from Montana [Mr. MANSFIELD], I submit, and send to the desk, a resolution which I ask to have read; and I also request its immediate consideration.

Let me say that the resolution has been gone over with both the majority and the minority leaderships, and I believe it has been cleared by them for such action.

Mr. CURTIS. I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. Does the Senator wish to permit the resolution to be read first?

Mr. CURTIS. The resolution may be read.

The ACTING PRESIDENT pro tempore. The resolution will be read.

The resolution (S. Res. 302) was read by the legislative clerk, as follows:

Resolved, That the Senate of the United States hereby expresses—

1. Its profound admiration to the people of the city of Poznan and to all the liberty-loving people of Poland for their courage in resisting the oppressive tyranny which has denied them freedom and food;

2. Its conviction that the President of the United States should continue to urge relief agencies in Poland to accept food from the United States to help alleviate suffering in that country;

3. Its request that the President seek to expedite, through international agencies and otherwise, the provision of sustenance to the long-suffering people of Poland by their friends, relatives, and appropriate official and unofficial agencies in the United States;

4. Its determination that the historic sacrifice of the Poznan martyrs will not have been in vain, and its enduring confidence that the spirit of Polish freedom will never die.

The PRESIDING OFFICER. The Senator from Nebraska has suggested the absence of a quorum.

Mr. CURTIS. Mr. President, I withdraw the suggestion.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

Mr. HUMPHREY of Minnesota. Mr. President, reports from Poznan today indicate that two armored divisions and thousands of policemen are hunting for

the courageous patriots who participated in last week's rebellion against Polish Communist tyranny. Informants reaching Germany from Poland report that the Polish police have sealed off this entire industrial center of 365,000. Eye witnesses report that 200 to 300 lives have been taken in the uprising. As the purge begins, a Roman Catholic bishop of Poznan has been quoted as saying that his church has been overcrowded and that prayers are being said to "beg for God's mercy."

Mr. President, it seems clear that the Communist empire is now being convulsed by the shock of profound change. This "bread and freedom" revolt at Poznan has once again placed the entire Communist world on notice that it cannot indefinitely restrain the enormous pent-up emotions accumulated under Stalin's ferocious and terror-ridden regime. An excellent summary of the uprising in Poznan appeared in the New York Times yesterday. Mr. President, I ask unanimous consent that it be printed in the RECORD at this point in my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

RISE IN POZNAN

Alexis de Tocqueville, in his book on The Old Regime, referring to the causes of the French Revolution, wrote:

"The evils which are endured with patience so long as they are inevitable seem intolerable as soon as a hope can be entertained as escaping from them."

The highly civilized people of Poland, admirers of Western culture, nurture a cold hatred and contempt for the Russians. For nearly a decade they endured their trials with patience. Then with Stalin's death there came a deep-seated surge of unrest that was not immediately apparent beyond the country's borders.

Poland's Communist regime moved quickly to try to placate the growing discontent. Repression was eased. There was more freedom of speech. A Polish writer, Adam Wazyk, was able last fall to publish a poem reminiscent of T. S. Eliot's *The Waste Land*, that contained this verse:

"There are people who wait for justice,
There are people who wait very long."

The sudden death of Boleslaw Beirut, first secretary of the Polish Workers (Communist) Party, followed by the downgrading of Stalin, lifted the lid. The security system was reformed, its chief dumped. Five ministers fell from power. Old Stalin foes emerged alive from prison. Dead ones were rehabilitated. The Deputy Premier, Jacob Berman resigned. True, new enemies of the people were found, new capitalist plots uncovered. But the lid was off.

By the thesis of Tocqueville, this was a mistake. He would have said that last week's disturbances in Poznan, Poland's fourth largest city (population 365,000), was a result.

Ten days ago Poznan's annual trade fair opened. Since 1922, except for years of war and political upheaval, the fair has been a magnet for European businessmen. This year, for the first time since World War II, Western businessmen flocked to Poznan, drawn by the West's relaxation of controls over trade with the East and by the enthusiasm with which Poland has put into effect the new Communist measures to relax tensions.

WORKERS STRIKE

Last Thursday, with thousands of foreigners in the city, the workers at the big, and

as yet unrenamed Stalin Steel Works, chose the moment to strike. What happened thereafter was told mainly by Western eye-witnesses who fled to London, Copenhagen, Stockholm, and Berlin. This was the sequence of events:

At 7 a. m. the workers gathered outside the struck plant for a demonstration, then began to parade toward the center of the city. The local authorities looked on tolerantly. A Communist functionary was even heard to remark, "Warsaw should know that we will not stand for this any longer." The crews began abandoning their streetcars on lines leading into the city center. Soldiers marching toward the fairgrounds broke ranks and mingled with the strikers. As barricades went up in the streets and shops lowered their iron shutters the atmosphere became ominous.

The fairgrounds on the edge of the city began to empty. Troops marched into Poznan's center and tanks massed on the outskirts. Still nothing happened. Then the strikers marched into the main city square chanting, "Bread, bread, bread."

At noon T-34 tanks rolled into the city. All traffic arteries were closed. Antiaircraft guns, leveled for direct fire, were spotted in the main squares. The workers tightened their ranks. Old Polish national flags appeared. The crowds sang long-forbidden Polish national songs.

TANKS CAPTURED

Scattered shooting broke out, aimed over the heads of the demonstrators. Some soldiers were reported to have handed their weapons to the strikers. One was reported slain by his commander for refusing to fire on his fellow Poles.

The order was given to fire pointblank. A marcher fell. The strikers sprang upon the soldiers with a roar of anger. They captured two tanks stationed before the Pozsmanski Hotel, guarding a bank.

For hours they ranged the city beyond control. They stormed Communist Party headquarters, took the city prison, freed its inmates, destroyed its records, and set it afire. They captured a radio station, used to jam western broadcasts, hurled its equipment to the street. They overturned streetcars for use as barricades, burned military vehicles.

Throughout the night the mobs roamed the street. Jet planes screamed low over the rooftops, dropping flares. Last to fall was the radio station—at 7 a. m. Sporadic gunfire was still heard, but by midmorning Friday all was silent.

The toll, announced by Warsaw, was 38 dead and 270 wounded. But returning travelers regarded these figures as low, suggesting that the final toll would be much higher.

There were indications that the regime was moving to tighten its lines. In a broadcast over Warsaw radio, Premier Josef Cyrankiewicz said:

"Everyone who raises his hand against the people may be sure it will be hacked off in the interest of the working class, in the interest of raising our standard of living and in the interest of the fatherland."

Mr. HUMPHREY of Minnesota. What a change, Mr. President, from the official sweetness and light philosophy of the new Kremlin leadership! Their counterpart Premier in Warsaw now announces:

Everyone who raises his hand against the people may be sure that it will be hacked off in the interest of the working class.

The Communist Premier's statement, Mr. President, is in the direct line of descent from the heritage of foreign butchery introduced in Poland by the czars and continued in our own time by the Nazis. But we know that today, as in former years, Polish men and women

have dared to attack tanks and machine guns and all of the paraphernalia of police tyranny. They have done so in the historic tradition of the great patriots like Pulaski, Chopin, and Paderewski. Their cry for bread and freedom in Poznan is a revolutionary cry which will find sympathetic ears everywhere among workers and farmers in Eastern Europe, and we have considerable ground for believing that the repression of the Poznan revolt will not kill this spirit. It is more likely that last week's events are a beginning than an end.

Mr. President, I believe that it is entirely fitting that the Senate should pay appropriate credit to these brave freedom loving men and women of Poland. They have symbolized for us in recent days a long-smoldering determination which must have its supporters in the other satellite countries and inside the Soviet Union itself. I have sent to the desk a resolution expressing the admiration of the Senate to these Polish patriots and I ask that the Senate proceed forthwith to approve the resolution.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. HUMPHREY of Minnesota. I am glad to yield to the distinguished minority leader.

Mr. KNOWLAND. Reserving the right to object—and I shall not object—I wish to read into the RECORD at this point a departmental statement released by the State Department on Friday, June 29, 1956. It read as follows:

The United States Government is profoundly shocked to learn of the shooting at Poznan which killed and wounded so many persons. Our sympathy goes out to the families of these people who were merely expressing their profound grievances. They apparently feel that their Government primarily serves the interests of the Soviet Union.

This episode dramatically underlines what President Eisenhower said to the Soviet rulers at Geneva—namely, that the peoples of Eastern Europe, many with a long and proud record of national existence, should be given the benefit of our wartime pledge that they should have the right to choose the form of government under which they will live and their sovereign rights should be restored to them.

We believe that all free peoples will be watching the situation closely to see whether or not the Polish people will be allowed a government which will remedy the grievances which have brought them to a breaking point.

On June 30, the Acting Secretary of State, Mr. Herbert Hoover, Jr., wrote the following letter to Mr. Harold Starr, general counsel of the American Red Cross, at Washington, D. C.:

JUNE 30, 1956.

MR. HAROLD STARR,
General Counsel, American Red Cross,
Washington, D. C.

DEAR MR. STARR: The reports of serious disorder in Poznan, Poland, seem to be marked by demands by the population for bread, and we are informed of serious food shortages in Poland. The people of the United States, many of whom are of Polish descent, have a sympathetic concern for the welfare of the Polish people. As you know, there is a long history of cooperation between our peoples, especially after World War I and as long as we were permitted after World War II.

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued July 5, 1956
For actions of July 3, 1956
84th-2nd, No. 111

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HIGHLIGHTS: Senate passed bills to: Increase Public Law 480 authorization. Increase CCC borrowing authority. Increase Public debt limit. Ready for President. Senate committee ordered reported extension of International Wheat Agreement for 1956. Senate committee ordered reported bill to extend grain-storage facilities amortization period. Sen. Smith, Me., introduced and discussed bill to make surplus cotton available to textile mills at lower prices.

HOUSE

1. EDUCATION; SCHOOL CONSTRUCTION. Continued debate on H. R. 7535, to authorize Federal assistance to the States and local communities in financing an expanded program of school construction so as to eliminate the national shortage of classrooms. p. 10622
2. ROADS. Both Houses received from the Commerce Department a proposed bill "to provide for the appointment of a Federal Highway Administrator in the Bureau of Public Roads" and "one additional Assistant Secretary of Commerce"; to the Senate Post Office and Civil Service Committee and the House Public Works Committee. pp. 10566, 10674
3. GOVERNMENT SECURITY. The Judiciary Committee reported without amendment H. J. Res. 655, to extend until June 30, 1957, the time for the submission of the final report of the Commission on Government Security (H. Rept. 2582). p. 10674
4. RECLAMATION. The Interior and Insular Affairs Committee reported with amendment H. R. 7435, to authorize construction by the Secretary of the Interior of the Farwell unit, Neb., of the Missouri River Basin project (H. Rept. 2595). p. 10675

5. FOOD AND DRUGS. The Interstate and Foreign Commerce Committee ordered reported H. R. 9547, to amend and simplify certain procedures in hearings relative to the administration of the Federal Food, Drug, and Cosmetic Act. p. D736
6. ADJOURNED until Thurs., July 5. pp. 10614, 10674

SENATE

7. FOREIGN TRADE; SURPLUS COMMODITIES. Passed with amendment S. 3903, to increase the authorization under title I of Public Law 480 from \$1.5 billion to \$3 billion. p. 10585 Agreed to a committee amendment, as amended by an amendment by Sen. Holland, to exempt from the 50-50 cargo preference provision the movement of privately owned or publicly owned fruit and fruit products. (p. 10589).
8. CCC. Passed as reported S. 3820, to increase the borrowing power of CCC from \$12 billion to \$14.5 billion. p. 10599
9. PUBLIC DEBT. Passed without amendment H. R. 11740, providing for a temporary increase in the public debt by \$3 billion. This bill will now be sent to the President. p. 10599
10. WHEAT. The Foreign Relations Committee ordered reported the International Wheat Agreement for 1956. p. D733
11. GRAIN STORAGE. The Finance Committee ordered reported with amendments H. R. 9083; to amend the Internal Revenue Code to extend the period for amortization of grain storage facilities. The "Daily Digest" states that the amendments would "(1) Include context of S. 3993 amended to exempt from transportation of property tax local produce shipments from farm to processing plant, (2) add technical amendment clarifying the effective date of section 1234 of the 1954 code (applying only to options acquired after February 28, 1954), (3) include context of S. 3645, amending section 172 (f) of 1954 code re net operating loss deductions in case of taxable years beginning in 1953 and ending in 1954, and (4) add technical amendment extending until January 1, 1957, the time for involuntary replacement of inventories)". p. D732
12. PERSONNEL. Received from the Health, Education, and Welfare Department a proposed bill "to encourage the extension and improvement of voluntary health prepayment plans or policies"; to the Labor and Public Welfare Committee. p. 10566
Received from the Treasury Department a report on operations in connection with the bonding of Government officers and employees under the act of August 9 1955; to the Post Office and Civil Service Committee. p. 10566
Sen. Carlson inserted his speech given before the National Civil Service League, and inserted the names of this year's career service award winners. p. 10573
13. ELECTRIFICATION. Sen. Humphrey inserted a local REA co-op resolution in support of preservation of the rural electrification program. p. 10566
14. PUBLIC LANDS. The Interior and Insular Affairs Committee reported without amendment H. R. 3350 (S. Rept. 2406), and H. R. 3351 (S. Rept. 2408), providing for the sale by the Secretary of the Interior of certain public lands of the U. S. which have not been used for the purpose for which acquired. (p. 10567); and S. 3458, with amendments, to grant leaves of absence to homestead entrymen and to permit suspension of cultivation and improvement operations on homestead and

reasons for adopting the procedure of congressional resolution to effect the desired renunciation, rather than negotiating a new treaty with the Moroccans requiring Senate approval. I may remark parenthetically that both courses have been followed in the past. After weighing carefully all factors, the committee concluded that it was preferable to proceed by unilateral action, instead of bargaining over extraterritoriality in another treaty. Because Morocco is in a position to denounce our treaty privileges upon giving 1 year's notice, it seemed clear to the committee that any bargaining power we might appear to have was largely illusory.

Finally, Mr. President, the pending joint resolution has nothing to do with other rights which we exercise in Morocco under existing treaties. We shall still retain the commercial and economic privileges we have hitherto enjoyed.

It is highly desirable, from the standpoint of the executive, and, in the opinion of the committee, from the standpoint of our own relations in the world, that we renounce this last extraterritoriality privilege which we now enjoy.

Mr. SMITH of New Jersey. Mr. President, as the acting senior minority member of the Committee on Foreign Relations, I rise to give my support to the statement which has just been made by the distinguished Chairman of the Foreign Relations Committee [Mr. GEORGE] on Senate Joint Resolution 165.

As has been noted, the resolution would provide approval by Congress of a proposal by the President to relinquish the consular jurisdiction of the United States in Morocco. By the terms of the joint resolution, this action is to be taken at such time as the President deems appropriate. That could be either in the near future, or at a relayed date, depending upon circumstances.

I wish, Mr. President, simply to stress several points. First of all, I think it is important to assure my colleagues in the Senate that the Committee on Foreign Relations gave extremely careful attention to the joint resolution. Representatives of the Department of State were repeatedly recalled to the committee to supply information bearing upon points which had been brought to the committee's attention by the various groups affected by the joint resolution. A number of American groups in Morocco were invited to present their views. They sent to the committee a spokesman who apprised us of the reasons for their position.

All of us are aware that many Americans are engaged, and have been engaged for numbers of years, in business activities in Morocco. The protection of the rights of these American businessmen in Morocco is a matter which is of the utmost concern to me personally, as it is to other Members of this body. Mention has already been made of the nature of the objections which these groups had raised to the proposal contained in Senate Joint Resolution 165. After a thoroughgoing study of these objections,

it was the committee's considered judgment that passage of the joint resolution not only would not injure American business interests in Morocco, but would serve the national interest. Indeed, we would hope that this action, which is an expression of good will on the part of the United States toward Morocco, will result in enhanced good will from the newly independent government toward this country and its citizens in Morocco.

Second, Mr. President, it is very important, too, that all of us recognize that the purposes of the joint resolution are fully in accord with America's traditions. A new Morocco has come into being. As it assumes the responsibilities of self-government, it is fitting that we assist it to attain a status of equality with other nations. By voluntarily renouncing the outmoded concept of extraterritoriality, we shall again demonstrate to the world our sympathy with the aspirations of those who have achieved self-government and the rights and responsibilities appurtenant thereto. The exercise of extraterritoriality to many is tinged with colonialistic connotations, which it is in our interest to erase.

In conclusion, Mr. President, the relinquishment of American consular jurisdiction in Morocco fully appears to be both in the best interests of the newly independent Morocco and in the best interests of the United States.

The PRESIDING OFFICER. The joint resolution is open to amendment.

If there be no amendment to be proposed, the question is on the engrossment and third reading of the joint resolution.

The joint resolution (S. J. Res. 165) was ordered to be engrossed for a third reading, read the third time and passed, as follows:

Resolved, etc., That the relinquishment by the President, at such time as he considers this appropriate, of the consular jurisdiction of the United States in Morocco is hereby approved and sections 1693, 4083 to 4091, inclusive, 4097 to 4122, inclusive, and 4125 to 4130, inclusive, of the revised statutes, as amended, are repealed effective upon the date which the President determines to be appropriate for the relinquishment of such jurisdiction, except so far as may be necessary to dispose of cases then pending in the consular courts in Morocco.

The preamble was agreed to.

AMENDMENT OF AGRICULTURAL TRADE DEVELOPMENT AND ASSISTANCE ACT OF 1954

Mr. BIBLE. Mr. President, I move that the Senate resume the consideration of Calendar No. 2313, Senate bill 3903; and I particularly call the attention of the Senator from Louisiana [Mr. ELLENDER] to the bill.

The motion was agreed to; and the Senate resumed the consideration of the bill (S. 3903) to amend the Agricultural Trade Development and Assistance Act of 1954, as amended, so as to increase the amount authorized to be appropriated for purposes of title I of the act, and for other purposes, which had been reported from the Committee on Agriculture and Forestry with an amendment.

Mr. ELLENDER. Mr. President, the bill was introduced by me as chairman of the Committee on Agriculture and Forestry, by request of the Department of Agriculture. The bill was reported by the committee in almost the same language as that in which it was referred to the committee, with the exception of an amendment which was added at the behest of the distinguished Senator from Florida. The amendment exempts the sales of fruit and fruit products from private stocks under title I of Public Law 480 from the cargo preference laws. In due time, no doubt, the Senator from Florida, will discuss that phase of the bill.

Mr. President, I understand that the question in reference to the cargo preference law was taken up by the Senator from Florida with the distinguished senior Senator from Washington [Mr. MAGNUSON] and I also understand that as the result of a conference between the two Senators, an amendment which will be proposed by the Senator from Florida will meet with the approval of the Senator from Washington.

Mr. President, the purpose of the bill, with the committee amendment, may be stated as follows. As thus proposed to be amended, the bill would—

First. Increase the limitation on transactions which might be carried out under title I of Public Law 480, 83d Congress—sale of agricultural commodities for foreign currency—from those calling for appropriations of \$1.5 billion to those calling for appropriations of \$3 billion.

Second. Permit foreign currencies acquired under that title to be used to provide assistance to schools, libraries, and community centers abroad founded or sponsored by citizens of the United States and serving as demonstration centers for methods and practices employed in the United States.

Third. Amend section 304 of Public Law 480, to restrict its effect to sales for foreign currency under title I, and thereby permit barter with Iron Curtain countries.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point letters from the Department of Agriculture and the Department of State, indicating their interest in this measure and advocating its passage. Copies of the letter appear on pages 10 and 11 of the report.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

DEPARTMENT OF AGRICULTURE,
Washington, D. C.; May 17, 1956.
The PRESIDENT OF THE SENATE,
United States Senate.

DEAR MR. PRESIDENT: There is enclosed a proposed form of bill to amend title I of Public Law 480, the Agricultural Trade Development and Assistance Act of 1954, as amended.

The enclosed form of bill would increase the maximum amount authorized to be appropriated to reimburse the Commodity Credit Corporation for commodities disposed of and costs incurred, under title I of the act, from \$1.5 billion to \$3 billion.

Enactment of legislation to accomplish this purpose is recommended in order to

permlt orderly programing during the fiscal year 1957.

Since the inception of the title I program, agreements entered into involve a CCC cost of approximately \$1,258,000,000. There is reasonable certainty of exhausting the existing authorization of \$1.5 billion within the next 2 months through signature of agreements now in negotiation. It is probable that if funds are available, total programing through the fiscal year will exceed \$1.5 billion.

On the basis of experience during the first 2 years under the act, it is anticipated that the programing for the fiscal year 1957, would proceed at about the same rate as programing has taken place in fiscal year 1956. This would require between \$700 and \$800 million for agreements entered into on a 1-year basis, plus the amount for first year's deliveries under 2- and 3-year programs. Prospects for the negotiation of agreements which would cover deliveries over periods of 2 and 3 years are good, and past experience under the program indicates that such agreements would be desirable. Taking into account the possibilities of forward programing, it is believed that agreements which we might expect to enter into by June 30, 1957, would bring the total of the program on the basis of CCC cost, since the beginning of operations, to approximately \$3 billion.

The proposed bill would further amend the act in two respects. It would amend section 104 (h) so as to permit the use of title I currencies in rendering assistance to American-sponsored schools and binational centers provided for under the so-called Smith-Mundt Act. It would repeal section 304 of the act, which would permit the bartering of agricultural commodities with Soviet bloc countries but not sales for foreign currencies to such countries.

The Bureau of the Budget advises that there is no objection to the submission of this recommendation.

Sincerely,

E. T. BENSON, Secretary.

DEPARTMENT OF STATE,
Washington, May 31, 1956.

Hon. ALLEN J. ELLENDER, Sr.

Chairman, Committee on Agriculture
and Forestry, United States Senate.

DEAR SENATOR ELLENDER: The Department of State wishes to support the recommendation of the Department of Agriculture that title I of Public Law 480, the Agricultural Trade Development and Assistance Act of 1954, as amended, be further amended as indicated by the draft form of bill enclosed with the Department of Agriculture's letter of May 17, 1956, to the Speaker of the House of Representatives.

The Department wishes in particular to stress the foreign policy advantages which may be expected to flow from the enactment of sections 2 and 3 of the proposed bill.

Section 2 would amend section 104 (h) of the act by inserting the following language immediately before the period at the end of the section: "and for the providing of assistance to activities and projects authorized by section 203 of the United States Information and Educational Exchange Act of 1948, as amended (22 U. S. C. 1448)."

This would permit the use of local currencies generated by sales of surplus agricultural commodities to assist American-sponsored schools located in a number of different countries. These schools, which have been founded and supported by the cooperative efforts of United States citizens and foreign nationals, constitute an important American influence because they train so many of the future national leaders of the countries in which they are located and of neighboring countries. They are often regarded as models by the local schools, and their methods are widely copied. However, their budgets are inadequate, with resultant limitation of their physical capacities and inability to hire a sufficient number of qualified teachers from the United States. Public Law 480 funds could do much to correct these deficiencies.

Section 3 would repeal section 304 of the act, thus authorizing greater flexibility in

making trade offers involving the disposal of surplus agricultural commodities to the Soviet bloc. The Department of State supports repeal of section 304 because we are convinced that we should, as the President indicated in his agricultural message of January 9, 1956, place ourselves in a position to take advantage of any opportunities clearly to our interest which may develop in the future to find markets in such countries for agricultural products.

Sincerely yours,

ROBERT C. HILL,
Assistant Secretary

(For the Acting Secretary of State).

Mr. ELLENDER. Mr. President, since the beginning of this program, 59 agreements have been signed with 27 countries for the sale of agricultural commodities totaling \$1,509,000,000 at Commodity Credit Corporation cost as shown in table I of the committee report. It is estimated that actual procurement will fall short by approximately \$47 million, thereby reducing the estimated net obligation to \$1,462,000,000. It is apparent that the amount of the authorization is just about exhausted.

In terms of quantity, agreements signed to date represent almost 7.1 million metric tons of commodities. By June 30, 4.4 million tons of this total will have been exported, leaving 2.7 million tons to move during the coming months.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD a table showing the agreements entered into with various countries, to which I have just referred. The table appears on page 5 of the committee report.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE 1.—Agreements signed from beginning of program

[In thousands of dollars]

Country	Date signed	Market value excluding ocean transportation	Ocean transportation	CCC cost, including ocean transportation	Country	Date signed	Market value excluding ocean transportation	Ocean transportation	CCC cost, including ocean transportation
1. Turkey.....	Nov. 15, 1954	18,917	5,517	35,086	34. Finland (amendment).....	Jan. 12, 1956	500	50	980
2. Yugoslavia.....	Jan. 5, 1955	37,990	6,214	66,018	35. Yugoslavia (amendment).....	Jan. 19, 1956	42,600	6,400	77,869
3. Pakistan.....	Jan. 8, 1955	28,084	1,316	39,082	36. Spain (amendment).....	Jan. 21, 1956	15,000	1,100	18,100
4. Chile.....	Jan. 27, 1955	4,600	407	7,686	37. Israel (amendment).....	Jan. 31, 1956	900	0	1,760
5. Peru.....	Feb. 7, 1955	3,250	380	6,255	38. Austria.....	Feb. 7, 1956	20,800	1,650	33,515
6. Spain.....	Apr. 20, 1955	19,316	1,684	25,099	39. Burma.....	Feb. 8, 1956	20,800	900	31,200
7. Argentina.....	Apr. 25, 1955	5,670	130	8,721	40. Egypt (amendment).....	do.....	4,900	700	11,216
8. Turkey (amendment).....	Apr. 28, 1955	4,144	427	6,121	41. Israel (amendment).....	Feb. 10, 1956	10,000	0	10,000
9. Israel.....	Apr. 29, 1955	7,848	822	13,255	42. Egypt (amendment).....	Feb. 17, 1956	7,348	1,052	16,825
10. Finland.....	May 6, 1955	5,114	126	5,250	43. Greece (amendment).....	do.....	5,867	233	6,100
11. Yugoslavia (amendment).....	May 12, 1955	6,523	1,309	13,384	44. Iran.....	Feb. 20, 1956	11,300	916	19,938
12. Italy.....	May 23, 1955	48,200	1,800	71,708	45. Pakistan.....	Mar. 2, 1956	15,000	1,900	30,746
13. Japan.....	May 31, 1955	79,026	5,974	111,266	46. Indonesia.....	do.....	91,800	4,900	152,969
14. Korea.....	do.....	14,015	985	15,000	47. Spain.....	Mar. 5, 1956	60,000	4,800	79,096
15. United Kingdom.....	June 7, 1955	15,000	205	15,205	48. Turkey.....	Mar. 12, 1956	3,700	300	4,000
16. Austria.....	June 14, 1955	5,500	584	8,256	49. Korea.....	Mar. 13, 1956	39,700	4,100	59,674
17. Israel (amendment).....	June 15, 1955	3,652	678	7,312	50. Chile.....	do.....	32,500	2,100	45,437
18. Thailand.....	June 21, 1955	1,900	100	2,000	51. Spanish-Swiss.....	Mar. 20, 1956	4,607	393	9,430
19. Colombia.....	June 23, 1955	4,900	400	7,072	52. Finland (amendment).....	Mar. 26, 1956	12,100	1,000	18,702
20. Greece.....	June 24, 1955	5,400	647	8,665	53. Finland (amendment).....	Apr. 26, 1956	2,900	465	6,718
21. Do.....	do.....	7,573	772	12,711	54. Paraguay.....	May 2, 1956	2,600	400	5,170
22. Peru (amendment).....	June 25, 1955	3,400	400	6,259	55. Peru.....	May 7, 1956	2,470	310	5,420
Subtotal as of June 30, 1955.....		330,022	30,887	491,321	56. Turkey (amendment).....	May 11, 1956	9,700	1,400	20,200
23. France.....	Aug. 11, 1955	650	0	650	57. Portugal.....	May 24, 1956	6,300	800	13,400
24. Peru (amendment).....	Sept. 20, 1955	3,000	320	3,320	58. Japan.....	Feb. 10, 1956 ¹	59,900	5,900	108,300
25. Yugoslavia (amendment).....	Oct. 1, 1955	17,900	4,260	42,168	59. United Kingdom.....	June 5, 1956	12,000	-----	12,000
26. Ecuador.....	Oct. 7, 1955	3,750	270	5,280	Subtotal, July 1, 1955, through June 5, 1956.....		624,100	56,300	1,017,864
27. Spain (amendment).....	Oct. 20, 1955	10,000	622	10,622	Total, all agreements signed through June 5, 1956.....		954,122	87,190	1,509,185
28. Israel.....	Nov. 10, 1955	14,740	2,300	26,868	Estimated shortfall.....		-----	-----	47,000
29. Brazil.....	Nov. 16, 1955	37,150	4,680	77,955	Estimated net obligation.....		-----	-----	1,462,185
30. Egypt.....	Dec. 14, 1955	4,818	782	10,682					
31. Colombia.....	Dec. 20, 1955	10,900	700	17,054					
32. Argentina.....	Dec. 21, 1955	24,700	600	25,300					
33. Germany.....	Dec. 23, 1955	1,200	0	1,200					

¹ Effective May 29, 1956.

Mr. ELLENDER. Mr. President, there are included in agreements signed to date, approximately 158 million bushels of wheat, 57 million bushels of feed grains, 10 million hundredweight of rice, 1.7 million bales of cotton, 124 million pounds of tobacco, 1 billion pounds of

fats and oils, 90 million pounds of dairy products, 82 million pounds of fruit and vegetables, 75 million pounds of meat products, and other commodities.

At this point I ask unanimous consent to have printed in the RECORD table 3,

which appears on pages 7 and 8 of the committee report, giving the details of these commodities by countries.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE III.—Approximate quantities of commodities under agreements signed through June 5, 1956, title I, Public Law 480

Country	Wheat (1,000 bushels)	Feed grains (1,000 bushels) ¹	Rice (1,000 hundred- weight)	Cotton (1,000 bales) ²	Tobacco (1,000 pounds)	Dairy products (1,000 pounds) ³	Fats and oils (1,000 pounds) ⁴	Poultry (1,000 pounds)	Dry edible beans (1,000 hundred- weight)	Fruit and vegetables (1,000 pounds)	Meat (1,000 pounds)	Hay and pasture seeds (1,000 hundred- weight) ⁵
Argentina.....							220,000					
Austria.....	2,025	7,091		42.5	5,900		⁶ 16,552			⁶ 2,084		
Brazil.....	18,995	2,205			100		⁶ 11,000					
Burma.....				125.0	1,500	14,385				⁶ 2,350		
Chile.....	4,927			37.6	300	9,900	⁶ 105,562				⁷ 13,214	55
Colombia.....	2,612			48.3		3,307	14,141					
Ecuador.....	560			6.6	323		13,629					
Egypt.....	10,329											
Finland.....	3,557	750		36.1	9,990	1,163				⁶ 11,000		
France.....					867							
Germany.....								3,000				
Greece.....	3,479	2,366				21,264	44,986					
Indonesia.....	2,894		5,516	257.2	23,000							
Iran.....	2,120					11,708	5,773					
Israel.....	6,426	6,082	7	15.5	550	10,793	18,450		37		⁷ 40,000	
Italy.....	948	1,923		253.8	4,000		33,322					
Japan.....	30,754	12,227	2,111	308.6	9,629							
Korea.....	4,122	10,000		102.7	14,000	10,000	20,000				⁷ 21,000	
Pakistan.....			2,300	141.3	3,650	4,000	8,274					
Paraguay.....	990					3,086	⁶ 3,105					
Peru.....	5,040					621	22,000					
Portugal.....	3,753											
Spain.....	⁸ 2,446	3,594		² 239.6	7,573		⁶ 340,293			⁶ 66,667	⁷ 1,640	
Thailand.....					2,700							
Turkey.....	7,784	10,532	215				59,957					
United Kingdom.....					39,489							
Yugoslavia.....	44,120			114.4			87,964					
Total agreements.....	157,881	56,770	10,149	1,729.2	123,571	90,227	1,025,008	3,000	37	82,101	75,854	55

¹ Note following:

	Thousand bushels
Corn.....	18,662
Oats.....	4,751
Barley.....	27,562
Grain sorghums.....	5,795
Total.....	56,770

² Includes 16,700 bales cotton linters for Spain.

³ Note following:

	Thousand pounds
Nonfat dry milk.....	36,219
Evaporated milk.....	23,535
Butter.....	11,367
Cheese.....	2,679
Butter oil and/or ghee.....	10,426
Ghee.....	4,000
Whey.....	2,001
Total.....	90,227

⁴ Note following:

	Thousand pounds
Cottonseed oil.....	202,781
Cottonseed oil and/or soybean oil.....	302,463
Cottonseed oil, soybean oil and/or lard.....	344,194
Linseed oil.....	8,800
Lard.....	131,014
Tallow and/or grease.....	35,756
Total.....	1,025,008

⁵ Entire quantity shown for country is lard except Chile, Paraguay, and Spain which includes lard as follows:

	Thousand pounds
Chile.....	3,357
Paraguay.....	1,279
Spain.....	10,862

⁶ Austria, canned fruit and fruit juices, 450,000 pounds; dried fruit, 1,634,000 pounds; Burma, dried fruit; Finland, dried fruit; Spain, potatoes.

⁷ Israel and Chile, chilled or frozen beef; Korea, canned pork; Spain, canned hams.

⁸ Wheat to be sold to Spain for resale to Switzerland for financing procurement of Swiss goods by Spain.

Mr. ELLENDER. During the fiscal year 1956, the following quantities were shipped under title I of Public Law 480: Shipments under title I of Public Law 480, fiscal year 1956 ¹

Wheat.....	bushels..	92,000,000
Feedgrains.....	do.....	25,000,000
Rice.....	hundredweight..	2,600,000
Cotton.....	bales.....	490,000
Tobacco.....	pounds.....	73,000,000
Vegetable oils.....	do.....	535,000,000
Other.....	do.....	85,000,000

Export market value..... \$425,000,000

¹ May and June 1956, estimated.

These commodities are paid for by foreign countries in their own currencies. Payments are based on United States export prices rather than on Commodity Credit Corporation investment and costs. On this basis the foreign currency payments due the United States Government under agreements signed to date total

\$1,041 million. The planned uses of these foreign currencies are as follows:

Planned uses of foreign currency under title I, Public Law 480 agreements

Uses	Amount	Percent of total
	Millions	
Market development.....	\$20.2	2.0
Purchase of strategic material.....	8.6	.8
Payments of United States obligations.....	287.4	27.6
International Education Exchange.....	9.6	.9
Total United States uses.....	325.8	31.3
Military procurement.....	174.0	16.7
Purchases of goods for other countries.....	24.1	2.3
Grants for multiple trade and economic development.....	7.5	.7
Loans for multiple trade and economic development.....	508.6	48.9
Unspecified.....	1.1	.1
Total.....	1,041.1	100.0

It is my hope that the amount used as loans for multiple trade and economic development will be kept to a minimum, and insofar as possible, the foreign currencies generated under title I will be used for purposes directly beneficial to the United States, such as the payment of United States obligations abroad or the purchase of strategic materials.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point the table appearing on page 9 of the report, showing the planned uses of foreign currency under title I, Public Law 480, under agreements signed through June 5, 1956.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE IV.—Planned uses of foreign currency under title I, Public Law 480 agreements signed through June 5, 1956¹

[In millions of dollars]

Country	Total amount programmed (market value including overseas transportation)	Market development (104a)	Purchase of strategic material (104b)	Payment of United States obligations (104f) ²	International education exchange (104h)	Total United States uses (104a, b, f, and h) ²	Military procurement (104e)	Purchase of goods for other countries (104d)	Grants for multiple trade and economic development (104e)	Loans for multiple trade and economic development (104g)
Argentina.....	31.1	0.5		8.9	0.7	10.1		1.0		20.0
Austria.....	28.5	.7	0.8	8.5	.2	10.2		2.0		16.0
Brazil.....	41.8	.7	2.8	5.5	.9	9.9				31.3
Burma.....	21.7			21.7		21.7				
Chile.....	39.6	.8		6.5	.6	7.9				31.7
Colombia.....	16.9	.8	1.0	4.1	.5	6.4		.5		10.0
Ecuador.....	4.0	.2		.5	.2	.9				3.1
Egypt.....	19.6	1.0		2.0	1.0	4.0		2.0		13.6
Finland.....	22.3	.2		21.8	.3	22.3				
France.....	.7	.6		.1		.7				
Germany.....	1.2	1.1		.1		1.2				
Greece.....	20.5	.5		3.9		4.4			7.5	8.5
Indonesia.....	96.7	1.0	2.0	16.0	.3	19.3				77.4
Iran.....	12.2	.2		3.3	.2	3.7	5.9			2.5
Israel.....	40.9	.4		8.2	.4	9.0		3.1		28.8
Italy.....	50.0	1.7	1.0	12.7		15.4		4.6		30.0
Japan.....	150.8	3.3		17.6	2.1	23.0	8.1	10.9		108.8
Korea.....	58.8	.5		12.9		13.4	45.4			
Pakistan.....	46.3	1.6		6.3		7.9	25.9			12.5
Paraguay.....	3.0	.2		.5	.1	.8				2.2
Peru.....	13.5	.7		2.5	.6	3.8				9.7
Portugal.....	7.1	.3		2.9	.5	3.7				3.4
Spain.....	117.5	2.0	1.0	46.2	1.0	50.2				67.3
Thailand.....	2.0	.2		1.0		1.3				.8
Turkey.....	44.1	.7		21.4		22.1				22.0
United Kingdom.....	27.2			27.2		27.2				
Yugoslavia.....	123.1	.3		25.1		25.4	88.7			9.0
Total agreements.....	1,041.1	20.2	8.6	287.4	9.6	325.8	174.0	24.1	7.5	508.6
Uses as percent of total.....	100.0	2.0	.8	27.6	.9	31.3	16.7	2.3	.7	48.9

¹ Amounts shown on this table are subject to adjustment when actual purchases have been made.

² In order to provide flexibility in the use of funds for United States uses, many agreements provide a total amount to be distributed among the several United States uses. In such instances amounts shown under subsecs. (a), (b), and (h) are the best information available in regard to uses or contemplated uses under these subsections. Balances not otherwise distributed are shown under subsec. (f). This distribution is subject to revision when allocations have been completed.

³ Total amount shown for the following countries includes amounts in excess of amounts provided in agreements, for which currency uses have not been specified:

	Thousand dollars
Austria.....	\$335
Brazil.....	610
Greece.....	92
Iran.....	116

Total..... 1,153

These unspecified uses represent 0.1 percent of total currency uses.

Mr. ELLENDER. As I have indicated, the table which I have just placed in the RECORD gives a full description of how the money is used, and in what countries.

On the basis of experience during the first 2 years under the act, the Department anticipates that the programing for the fiscal year 1957, will proceed at about the same rate as programing has taken place in fiscal year 1956. This would require between \$700 and \$800 million for agreements entered into on a 1-year basis, plus the amount for first year's deliveries under 2- and 3-year programs. The Department further reports that prospects for the negotiation of agreements which would cover deliveries over periods of 2 and 3 years are good, and past experience under the program indicates that such agreements would be desirable. Taking into account the possibilities of forward programing, the Department believes that agreements which we might expect to enter into by June 30, 1957, would bring the total of the program on the basis of CCC cost, since the beginning of operations, to approximately \$3 billion, which is the amount asked for in the bill.

Mr. President, I ask unanimous consent to have printed in the RECORD, at this point, as a part of my remarks, a brief explanation of the operations of title I of Public Law 480, as prepared by the United States Department of Agriculture. The statement is dated June 1, 1956.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

UNITED STATES DEPARTMENT OF
AGRICULTURE, FOREIGN AGRICULTURAL SERVICE, FOREIGN TRADE
PROGRAMS DIVISION,
Washington, D. C., June 1, 1956.

BRIEF EXPLANATION OF OPERATIONS UNDER
TITLE I, PUBLIC LAW 480 PROGRAM (LETTER
OF COMMITMENT METHOD OF FINANCING)

Commodity agreements under title I, Agricultural Trade Development and Assistance Act of 1954 (Public Law 480, 83d Cong.), as amended, are entered into with governments of importing countries and provide for payment of commodities in local currency, such currency to be expended as specified in section 104 of the act. Following such government-to-government agreements, the importing country applies to the Foreign Agricultural Service for issuance of purchase authorizations which provide for dollar financing of the commodity sales and specify the conditions under which such financing will be made available. Sales under these purchase authorizations are made by private United States exporters to importers authorized by the importing country. Public announcements are made when agreements are signed and purchase authorizations are issued. Since United States Government funds are used to finance title I sales, certain controls have been established as follows:

1. The Government of the importing country designates certain banks in the importing country and in the United States to participate in the program. The Commodity Credit Corporation issues letters of commitment to the United States banks in the amounts

requested by the government of the importing country, the total amount of such letters of commitment being the amount provided for in the purchase authorization. Each letter of commitment names the foreign bank as well as the United States bank and constitutes a commitment by the Commodity Credit Corporation to reimburse the United States bank for payments made under letters of credit for the account of the foreign bank in connection with export sales under the purchase authorization.

2. Foreign importers who make contracts with United States exporters apply to their local banks for letters of credit in favor of the exporter. Just as in normal commercial practice, these letters of credit are paid through correspondent banks in the United States, the only limitation being that the foreign bank must use as correspondent a United States bank holding a CCC letter of commitment naming such foreign bank.

3. The United States banks pay dollars to United States exporters against documentation and drafts in the usual manner; however, instead of debiting the foreign bank for such dollar amounts, the United States banks obtain reimbursement from the Commodity Credit Corporation. The foreign bank then pays the value of the documentation, when received by it, by depositing local currency to the account of the United States Government rather than crediting dollars to the account of the United States bank.

Under this procedure, the United States exporter can assure that the transaction, if otherwise in compliance with the program, will be financed by insisting that his contract be covered by an irrevocable letter of credit, bearing the purchase authorization number, issued or confirmed to him by a United States bank. The letter of commit-

ment is issued to the United States bank with respect to a named foreign bank, not with respect to any particular exporter.

Except in the case of cotton, the United States exporter is not required to report to the Department of Agriculture the contracts entered into. His obligation in this respect is to assure that the required documentation accompanies his draft presented to the bank for payment for the commodity.

Announcements containing the details of title I agreements signed and purchase authorizations issued are mailed to those firms on our FAS-FSD mailing list. If you wish to be placed on this mailing list for automatic receipt of all announcements of title I, Public Law 480 activities, request may be made to the above address or by telephone: REpublic 7-4142, extension 6455 or 5451.

Mr. ELLENDER. Mr. President, that completes the explanation of the bill. I understand that the distinguished Senator from Florida [Mr. HOLLAND] will have something to say about an amendment with reference to exemption of fruit from the cargo preference law.

The PRESIDING OFFICER. The clerk will state the committee amendment.

The amendment of the Committee on Agriculture and Forestry was on page 2, after line 3, to strike out "SEC. 3. Section 304 of the act is hereby repealed." and insert:

SEC. 3. Section 304 of the act is amended to read as follows:

"Sec. 304. (a) The President shall exercise the authority contained in title I of this act (1) to assist friendly nations to be independent of trade with the Union of Soviet Socialist Republics and with nations dominated or controlled by the Union of Soviet Socialist Republics and (2) to assure that agricultural commodities sold or transferred thereunder do not result in increased availability of those or like commodities to unfriendly nations.

"(b) Nothing in this act shall be construed as authorizing transactions under title I or title III with the Union of Soviet Socialist Republics or Communist China or North Korea."

SEC. 4. Sales of fruit and the products thereof from privately owned stocks under title I of the act shall be exempt from the requirements of the cargo preference laws (Public Resolution 17, 73d Cong. (15 U. S. C. 616a) and section 901 (b) of the Merchant Marine Act, 1936 (46 U. S. C. 1241 (b))).

Mr. HOLLAND obtained the floor.

The PRESIDING OFFICER. The question is on agreeing to the amendment reported by the committee.

Mr. HOLLAND. Mr. President, I understand that the distinguished Senator from Washington [Mr. JACKSON] wishes to have me yield to him at this point, because he must leave the Chamber on other important business. He wishes to discuss the same question which I desire to discuss briefly after he has concluded.

Mr. JACKSON. Mr. President, I thank my distinguished friend from Florida. I should like to make a very brief statement in connection with the amendment of the distinguished senior Senator from Florida.

Mr. President, speaking for myself and my distinguished colleague [Mr. MAGNUSON], I am glad to advise the Senate that both of us are in complete agreement with the distinguished senior Senator from Florida with respect to the proposed amendment to Senate 3903. We are well aware that the export of

fresh fruits and their products has been a problem under the so-called 50-50 legislation. This is particularly so because of the lack of refrigerated shipping space in American vessels. The amendment would exempt fruit and the products thereof from the cargo preference law.

On June 27, 1956 Senator MAGNUSON submitted to the Senate a report from the Committee on Interstate and Foreign Commerce on the influence of cargo preference statutes on the surplus agricultural disposal program. This report was in connection with a bill (S. 2584) which would have exempted the sales of surplus agricultural commodities for foreign currencies from the cargo preference law.

During the hearings the National Apple Association, the International Apple Association, the Dried Fruit Association of California, the California Grape and Tree Fruit League and the Northwest Horticultural Council of Washington all indicated in the testimony and supporting documents that the cargo preference law was impeding sales of their products. There has been considerable correspondence to this effect received by the Interstate and Foreign Commerce Committee.

The report to which I refer, Senate Report No. 2376, states:

"We recognize that export of fresh fruits and their products, * * * particularly to certain areas, are not always susceptible to the advance programing required for the administration of Public Law 664.

The committee found that under existing law the Department of Agriculture could, if it so desired, excuse the movement of these commodities from the 50-50 requirements but that it had not done so.

The amendment would exempt them from the preference law. While it might be said that this is unnecessary legislation, inasmuch as authority already exists, since Secretary Benson will not take advantage of the exemption, both my distinguished colleague and myself are in full agreement with the Senator from Florida that positive action is necessary by the Congress to force the Department to recognize the problem.

In conclusion, let me make it unmistakably clear that neither the senior Senator from Washington [Mr. MAGNUSON] nor I, in approving this exemption, would want anyone to infer that we favor weakening the 50-50 statute in any particular.

As I understand the situation, the facts as presented by the fruit shippers make it imperative that an adjustment be made in the law, because of the lack of refrigerated space to move the cargoes. The 50-50 law clearly, by its very language, was not intended to interfere with the orderly marketing of our agricultural products and byproducts thereof.

I believe that the amendment offered by the distinguished Senator from Florida is in conformity with the overall objectives of the 50-50 exemption. On that basis, my senior colleague and I are happy to support the Senator's amendment.

Mr. HOLLAND. First I wish to thank the distinguished Senator from Washington who, in speaking for himself and

his senior colleague, has made it clear that they support the amendment, which, by the way, is a committee amendment, reported in the bill now being considered by the Senate, although it was, in the first instance, offered by the Senator from Florida.

Mr. President, to discuss briefly this situation, if I may, it is certainly nothing but justice that the fruit industries, which have not depended upon price supports from the Federal Government, should be exempted from a provision which is preventing their full participation in this very wise act, an act which is rendering a very great service to American agriculture in general, in offering outlets for surplus agricultural commodities.

The facts, as shown very unmistakably from reports, are that the fruit industries have not participated in any degree at all comparable to their importance with other industries of the Nation in securing the benefits of Public Law 480.

The facts, as shown by table 2 of the committee report, printed on page 6 of the committee report, are these:

Of all the enormous amounts which have been moved under Public Law 480, only three very small amounts of fruits or fruit products have been included up to this date in any of the movements. To Austria there was included a movement of \$300,000 worth of fruit products. To Burma, there was included a movement of \$200,000 worth of fruit products. To Finland, there was included a movement of \$1,200,000 worth of fruit products. That makes a total of only \$1.7 million worth of fruit products moved under Public Law 480 up to the present time, out of the immense total which has been moved, as described by the distinguished Senator from Louisiana [Mr. ELLENDER].

Mr. President, the reason for that was not wholly, of course, the existence of the 50-50 cargo preference provision, because, as is shown in the report of the committee, various other handicaps were influential in bringing about this poor result with respect to the movement of fruit and fruit products under Public Law 480.

Those additional reasons are clearly recited in the committee report, and I ask unanimous consent at this time that, as a part of my remarks, there may be printed in the RECORD that portion of the committee report which is relevant to this subject, namely, beginning at the second paragraph on page 2 and continuing through the first complete paragraph on page 3.

There being no objection, the excerpt from the report (No. 2290) was ordered to be printed in the RECORD, as follows:

The committee amendment exempting the sale of fruit and fruit products under title I of Public Law 480 from the cargo preference laws is recommended because of the special problems of that industry both in obtaining refrigerated shipping when needed and in opening, reopening, and retaining export markets in the face of many trade barriers and other handicaps.

Throughout its extensive hearings on agricultural legislation relating to the export of agricultural products, the committee has been impressed by the number of instances in which export markets for fruit and fruit

products have been restricted by the actions of foreign governments. Such actions have included preferential treatment to other sources of supply, monetary restrictions, embargoes, quotas, and delays in licensing. Import licenses, when issued, have usually been on a temporary or season basis and when the opportunity to market has been granted, some governments have imposed stipulations which have impaired or destroyed the value of the access. Progress in eliminating these barriers has been discouragingly slow despite the keen interest and intensified efforts of the Departments of State and Agriculture.

The production and marketing of fresh and processed citrus and deciduous fruit is a highly important part of our agricultural economy. Prewar, exports of fresh and processed fruits ranked first among all food items and third among all agricultural commodities. The testimony presented at the many hearings on this subject has shown that the fruit industry has had a historic dependency on world markets and has a continuous need for the export of certain varieties, grades, sizes, and specifications, irrespective of whether or not a total surplus exists, if an orderly balanced marketing program is to be secured.

The fruit industry has not asked for mandatory price support but has consistently endeavored to work out its marketing problems by striving to reopen its prewar export outlets and by continuing to improve domestic markets. Adequate distribution of fruit and fruit products can be accomplished only if the industry has continuous competitive access to all world markets.

Because of the special needs of this industry for assistance in solving its export marketing problems the committee recommends that its sales under title I be exempt from the cargo preference laws and further, that special efforts be put forth by the appropriate agencies of this Government under presently available authority and procedures to minimize and overcome such barriers to fruit exports and particularly to provide continuing commercial arrangements in order to remove the present uncertainties arising from annual negotiations.

While the committee has not recommended any amendment of the bill with respect to animal products, it recognizes that many of the problems of the fruit industry are also applicable to animal products and that similar action on the part of the executive branch may be required in many instances with respect to animal products.

There is no question, of course, that fruit and animal products, as well as any other agricultural commodity or product thereof, if determined by the Secretary as provided in section 106 to be in surplus supply, are covered by Public Law 480 without regard to whether the Government owns any stocks of such commodity or product.

Mr. HOLLAND. Mr. President, I also wish to have printed in the RECORD in connection with my remarks a brief excerpt from the testimony of Mr. Gwynn Garnett, Administrator of the Foreign Agricultural Service, Department of Agriculture, presented before the Senate Committee on Interstate and Foreign Commerce, on April 20 last.

I include only this small part of Mr. Garnett's statement:

At the inception of the program it was felt that these four countries, the United Kingdom, Denmark, Norway, and Sweden, presented excellent prospects for using the Title I program to improve and expand our agricultural trade on a continuing basis. Of these four countries, three have not participated at all, and the fourth, the United Kingdom, entered into a single commodity

arrangement under very special circumstances, but otherwise is not participating.

We believe that the conspicuous absence of these countries from the program results from the compulsory aspect of cargo preference.

It happens that those countries included in the period prior to World War II some of our very best customers in the purchase of fruits and fruit products produced within the United States.

As further background for the action of the committee, I wish to have printed in the RECORD at this point, as a part of my remarks, a letter dated July 12, 1955, addressed by Mr. M. E. Hearn, export coordinator of the Florida Citrus Mutual, to myself.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

FLORIDA CITRUS MUTUAL,
Lakeland, Fla., July 12, 1955.

S. 2253.

Senator SPESSARD L. HOLLAND,

United States Senate, Washington, D. C.

DEAR SENATOR HOLLAND: We understand there is a strong possibility of opposition developing on the floor of the Senate over the 50-50 proviso elimination in this bill, recently approved by the Agriculture Committee.

Insofar as fruits are concerned, we questioned the wisdom of this measure which stipulated that half the cargoes moved by American-flag vessels where Mutual Security Act funds were involved, as far back as February 25, 1954, with the Foreign Operations Administration charged with handling this program. At that time, we pointed out to Mr. Arthur G. Syran, Director of the Office of Transportation in FOA what difficulties were involved in adhering to this condition.

From the practical standpoint of the fruit exporter whose merchandise must move in refrigerated space to assure sound outturns at destination, it has been found that no American shipping concern was interested in diverting scheduled vessels to Florida ports for the European run. When the Spanish citrus freeze hit in early February 1954, we contacted every American shipbroker to find suitable space for the anticipated heavy orange movement out of Jacksonville or Fort Pierce to Rotterdam; the only replies received were from agents of Scandinavian and British shipping concerns. The same thing occurred in the fall of 1954. And, with the exception of an infinitesimal volume going through New York Harbor on regular scheduled European Continent runs by American vessels, every single box of the total volume of 1,500,000 boxes of oranges and grapefruit exported by this State to Europe went by Norwegian, Danish, Swedish, or British boats during the 1954-55 season. There simply are no unscheduled refrigerated boats of United States registry to be found.

The second question raised with the FOA was the matter of freight terms and conditions of payment. In 1954 we were approached by representatives of United States merchant shipping lines operating out of Florida, with the request that we use our influence to get processors to move their canned citrus by American ships. However, United States shipping lines were not prepared either to accept "freight payable at destination by consignee" or "freight payable in currency by country of destination" terms offered by competing foreign lines. To countries overseas, anxious to harbor their dollar reserves, paying for the freight in advance in United States currency was totally unacceptable if that was the requirement of American shipping lines, consequently the overwhelming proportion of the

canned citrus exported went on foreign-flag boats. Whether the strict requirements of dollar payment in advance for freight are still in force on United States shipping, we do not know, but the fact still remains that a potentially large volume of business was lost to foreign fleets in past years. And, by giving consistently satisfactory delivery, many European shipping lines are now enjoying steady repeat business from Florida processors exporting to Holland, Germany, Belgium, and other areas.

The third point we raised, and have repeatedly brought up in talks with other fruit trade organizations was that this 50-50 is without question highly discriminatory. As you know, the fruit industry of this country has opposed discrimination in every way, shape, size, and form, not only because we are one of the major victims but also because it hampers the normal flow of international trade and the natural interplay of open competition. We were particularly fearful of the reactions of foreign countries, particularly those maritime nations, traditionally good customers for American fruit whose international trading deficits are recouped by invisible exports such as shipping and freight receipts. Last December, Mr. J. Henry Burke warned Florida Citrus Mutual's export committee that unless this 50-50 proviso were eliminated from Public Law 480, we could not expect any business in fruits from countries like Denmark and Norway; how accurate his prediction was is shown by the fact that these two markets are closed to us except on highly involved and complicated barter deals.

This 50-50 proviso was the major stumbling block that marred the United Kingdom-United States apple deal in October 1954, and we feel sure Truman Nold will be glad to furnish you with full details on the disastrous results of this delay in the negotiations.

The main point in the Public Law 480 is that it is a trading bill, not a relief or gift scheme such as section 402 of Public Law 665. In other words, this country is trying to sell some of its agricultural commodities, not give them away. And, as seller, the United States must follow the wishes of its potential customers as to the means of transportation to be used. If it refuses, then there will be no sale in a number of instances.

Assuming freight rates on different methods of transportation to be equal, we believe a buyer has the option of selecting how his purchase will move from a plant to his warehouse. Atlantic Ocean steamship rates are, we believe, the same whether it be American, British, Dutch, or any other line, as these are determined by steamship conference agreements. So, logically, the foreign buyer should be able to choose what line his purchases under Public Law 480 should travel.

One way to settle any possible controversy over the 50-50 elimination would be to make the sales of eligible agricultural commodities on an f. o. b. United States port basis (and the buyer to select his transportation as he wishes), but to stipulate that any strategic materials acquired with the counterpart funds be moved in United States-flag ships. We suggest this as a compromise in the event of a deadlock during the debate of S. 2253 on the floor of the Senate.

At all events, we should like you to know that we warmly support your position on this piece of legislation, and trust that its passage will result in an increased movement of all agricultural commodities to overseas countries.

Most sincerely yours,

M. E. HEARN,
Export Coordinator.

Mr. HOLLAND. Mr. President, I wish also to have printed in the RECORD as a part of my remarks a letter from Mr.

Hearn, addressed to the senior Senator from Washington [Mr. MAGNUSON], chairman of the Committee on Interstate and Foreign Commerce, dated February 25, 1956.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

CITRUS FLORIDA MUTUAL,

Lakeland, Fla., February 25, 1956.

Senator WARREN G. MAGNUSON,

Chairman, Interstate and Foreign Commerce Committee, United States Senate, Washington, D. C.

DEAR SENATOR MAGNUSON: We deeply appreciate your courtesy and kindness in receiving Mr. Ernest Falk and myself last Wednesday, February 22, when we explained to you the crippling handicaps that face United States agriculture in selling its products to maritime nations under title I of Public Law 480 as long as the 50-50 cargo preference stipulation applies to this legislation.

This conviction was deepened during a recent visit by a 10-man delegation of the Florida citrus industry to Europe investigating export opportunities for our products.

At a luncheon given by the United States agricultural attaché in the Columbia Club, London on January 17, 1956 to which the Florida delegation and top-ranking members of the British Ministries of Agriculture, Board of Trade and Treasury were invited, Mr. R. E. Stedman, Under Secretary for the Ministry of Agriculture openly told the group that until such time as the 50-50 preference clause was stricken from title I of the Agricultural Trade Development Act of 1954 (i. e. P. L. 480), his country would not even discuss purchasing an ounce of United States fruits under the act.

Identical statements were made to that portion of the Florida delegation visiting Norway and Denmark during the trip. The United States agricultural and commercial attaché to Great Britain and Scandinavia likewise confirmed it. Even the many people in the fruit import trades of these countries, who for years have been desperately anxious to resume normal purchases of United States fruit and fruit products frankly admitted that unless this proviso was repealed, the chances of our securing anything but occasional token shipments through section 402 of the Mutual Security Act looked hopeless.

Proof of the position taken by these maritime countries is shown in the official summaries of sales made under title I of Public Law 480 as of October 14, 1955. With one solitary exception—a sale of \$15,200,000 worth of tobacco to England who automatically was raising additional revenue by the excise taxes levied on British tobacco concerns—not one agricultural commodity has been sold to the United Kingdom, Denmark or Norway under this law. Any unbiased parties are emphatic this will continue to be so until the repeal of the 50-50 preference clause.

In a lengthy talk with Mr. R. E. Stedman on February 2, 1956, at the British Ministry of Agriculture, the undersigned was informed that Her Majesty's Government did not dispute the justice and validity of the 50-50 clause under the Mutual Security Act of 1954, Public Law 665, section 402, and title II of Public Law 480 were a definite element of aid was involved. Under title I of Public Law 480, however, the British Government maintains it was Congress' specific intent to place United States agricultural products, currencywise, on an equally competitive basis as those of competing soft-currency countries, and, as such, it can only be regarded as a trade-facilitating measure. Disposal of the counterpart funds are a purely secondary consideration to the sale itself.

(It might be relevant to note in the sale of \$15.2 million worth of tobacco to the United Kingdom, that the British conceded

to waive the 50-50 proviso because the counterpart sterling were diverted to mutually beneficial military projects in the form of housing construction for United States Air Force personnel based in England, and this was considered as an aid project.)

Of considerable significance, too, is these maritime nations point out, without fear of contradiction, that even with the currency convertibility problem resolved for United States agricultural commodities, there are many other countries capable of furnishing these products and are highly competitive both qualitywise and price-wise but who do not demand that 50 percent of the tonnage move in their own bottoms. Boiled down to plain cold facts, United States agriculture, to sell, must be in a position to offer identical terms, right across the board, that its competitors are offering.

Faced with this position, it becomes clear that if we ever hope to sell any substantial amounts of American agricultural products to England, Denmark, and Norway—and it must be remembered they provided an enormous outlet for a wide range of such items prewar—then the 50-50 proviso must be removed from title I of Public Law 480.

Notwithstanding this, we strongly concur with you that our own maritime interests, for national defense purposes, should not be endangered. And it is our belief that if a compromise, mutually acceptable to both agriculture and shipping can be reached, where each group helped in a constructive manner to resolve the other party's problem, such a plan would be infinitely preferable to lengthy hearings and debates in the Senate that might only result in bitterness and resentment.

It was with this in view that we suggested to you last Wednesday, the following solution:

In exchange for eliminating the 50-50 Cargo Preference Act from title I of Public Law 480, add such a stipulation to sections 104 (b) and 104 (d) of that law and, likewise, extend this proviso to cover United States purchases of strategic materials under the Mutual Security Act of 1954, as well as any aid or offshore procurement programs undertaken by the United States Government.

At present all strategic materials acquired under either Public Law 480 or Public Law 665 are not required to move 50 percent in American-flag ships. Yet those purchases are definitely United States-financed commodities. For goods purchased abroad for relief purposes to a third country, these are without question aid programs paid for by this country and the United States merchant marine is entitled to move 50 percent of them in their vessels. Likewise, offshore purchases of materials for airbases overseas (e. g., German cement and steel for United States Air Force bases in Spain) should, by rights move 50 percent in American ships.

Such a plan would not only give the United States merchant marine a fair share in home-bound cargoes by carrying these strategic materials (a type of cargo which you believed highly desirable as many American vessels are presently returning home in ballast which hikes their overall operating costs and outbound freight charges), but it would also give it far greater worldwide operating flexibility, as well as being of general overall assistance in maintaining volume revenue.

We are convinced the additional freight business arising from such a plan would offset many times any possible loss that may be incurred by eliminating the 50-50 proviso from title I on outbound shipments.

In our conversation, you indicated that such a plan might prove workable. For our part, we feel confident that a concession such as is requested by agriculture from the merchant marine would be reciprocated by agriculture supporting the merchant marine's request to extend the 50-50 proviso to

cover inbound strategic material cargoes, aid programs, and other United States Government-financed projects covered by Public Law 665 and Public Law 480 described above.

As we informed you, we are positive that a partial compromise on title I, such as elimination of specific geographical areas (i. e., England, Denmark, and Norway) from the proviso, or eliminating perishable commodities like fruits, or striking it out from private-stock sales, would be totally unacceptable to these aggrieved maritime nations. Their feeling is that a fundamental basic principle is involved, so that a half-hearted gesture would be worse than none at all.

We sincerely hope that you and Senator HOLLAND can get together on this knotty problem and resolve it to everybody's satisfaction.

Very truly yours,

M. E. HEARN,
Export Coordinator.

Mr. HOLLAND. Mr. President, I do not believe it is necessary to argue this matter in any great detail. It is a fact that the fruit industries have not asked for support by the Federal Government of their production. It is a fact that they had built up quite large outlets, particularly in Europe, before World War II, which they have not been able to regain. It is a fact that they have not participated on a comparable basis with other agricultural industries in programs under Public Law 480. We believe that the adoption of this particular amendment, exempting fruits and fruit products from the provisions of the 50-50 cargo preference requirement will be very helpful in this regard.

We call attention to the fact that there is a logical reason for such exemption, in that fruits and fruit products move either in fresh form, which of course means that they are highly perishable and therefore require refrigeration, or in frozen, concentrated form, in packages which require refrigeration, or in canned form, which while it does not require refrigeration, moves in conjunction with the other two. In other words, a small refrigerator ship coming into one of our ports in Florida customarily moves out with some fresh fruit, some concentrated fruit, and some canned fruit; but there is not enough of the canned fruit alone to constitute a cargo, so as to attract the ship to that port.

Mr. President, I have been particularly appreciative of the very fine cooperation of the Senator from Washington [Mr. MAGNUSON] and his associates on his committee. I see one of them present in the Senate, the distinguished Senator from Maryland [Mr. BUTLER]. Both the Senator from Maryland and the Senator from Washington have been outstanding champions of the United States maritime industry. I like to think of myself likewise as one who has tried to build up that industry in every reasonable way possible. However, they saw our problem and have gone along with meeting it in this way. I wish to express my appreciation to them.

Mr. BUTLER. Mr. President, will the Senator yield?

Mr. HOLLAND. I am glad to yield.

Mr. BUTLER. I thank the Senator for his remarks. I believe a real effort has been made to cooperate with the Senator in trying to meet his problem, without at

the same time chipping away at our 50-50 law, which the Senator believes with me is so vital to our maritime industry.

Mr. HOLLAND. I thank the Senator from Maryland. I wish him to know that not only is Florida very vitally interested in this subject, but the fruit industries of the west coast are particularly interested. Not only the fresh-fruit industries, but also industries such as the prune, raisin, and dried-fruit industries, which have customarily had sizable foreign outlets, have joined with industry representatives and Senators from Washington, California, Oregon, Florida, and Texas in helping to work out this program.

I express not only my appreciation to all members of the Senate Interstate and Foreign Commerce Committee, who have grasped the implications of this problem, but also to all members of the Committee on Agriculture and Forestry. I realize perfectly well that this amendment does not go quite so far as some of us on that committee would like to have it go. However, I believe it will help to solve the most critical of the problems which have confronted us, and, as very definite proof shows, adversely affected us. I am very pleased that all concerned have been willing to recognize this problem and to undertake to find the solution.

I yield again to the Senator from Maryland.

Mr. BUTLER. Mr. President, I was a little perplexed by the fact that the Secretary of Agriculture did not recognize this need and did not do what the law gives him the right to do; namely, to permit the shipment of the products to which the Senator refers, without the adoption of the amendment. Nevertheless, I am perfectly willing to follow the recommendation of the committee, and to support the amendment.

Mr. HOLLAND. I thank the distinguished Senator.

Mr. President, I have an amendment to the committee amendment which I wish to offer at this time. Let me say that it is not only agreeable to the Senator from Washington [Mr. MAGNUSON] and myself, but I believe it is agreeable to the members of the committee. The Senator from Washington called my attention to the fact that sometimes in the past there have been some small supplies of fruit and fruit products which belonged to the Commodity Credit Corporation, and that the wording of the bill as reported by the committee includes the words "from privately owned stocks," which would prevent the application of this exemption to such Government-owned fruit and fruit products in the event that situation should again exist.

The counsel for the Committee on Interstate and Foreign Commerce has collaborated with the counsel for the Committee on Agriculture and Forestry to perfect this amendment, which I now ask to have considered. I understand it is wholly acceptable to all concerned, and I offer it subject to that understanding.

The PRESIDING OFFICER. Is the amendment an amendment to the committee amendment?

Mr. HOLLAND. It is.

The PRESIDING OFFICER. The amendment offered by the Senator from Florida to the committee amendment will be stated.

The CHIEF CLERK. In the committee amendment on page 2, lines 19 and 20, it is proposed to strike out "from privately owned stocks."

Mr. HOLLAND. Mr. President, I move the adoption of the amendment. I again explain that it simply broadens the committee amendment to exempt from the 50-50 cargo preference provision the movement of fruit and fruit products, whether they be privately owned or publicly owned, in the event the Government should again, as it has sometimes in the past, owned small stocks of fruit and fruit products.

Mr. BUTLER. Mr. President, will the Senator from Florida yield?

Mr. HOLLAND. I yield.

Mr. BUTLER. How would the Government come into possession of the products? I am not quite clear as to that.

Mr. HOLLAND. We have not had such a situation with respect to Florida products, but I understand the Government has, at certain times in the past, obtained stocks of raisins, prunes, and other dried fruits, by purchase. It was thought that this amendment might be desirable in such cases in the future. Certainly, I have no objection to it. In fact, I favor it, because I think it would take care of the situation with reference to those highly perishable commodities wherever they might be, regardless of whether they were privately owned, or publicly owned, or partly privately owned and partly publicly owned.

Mr. ELLENDER. They would need refrigeration.

Mr. HOLLAND. That is correct. There would not be such quantities of them as to permit of refrigerated ships coming into port solely for their movement.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Florida [Mr. HOLLAND] to the committee amendment.

Mr. AIKEN. Mr. President, I am glad we are getting around to the enactment of this sort of legislation, because it is badly needed. The Department has about used up its authority to transact business with foreign countries, under Public Law 480. We are gradually increasing our trade with foreign countries, which I am sure makes us all very happy. Last year we increased our exports of all normally exported commodities, with the exception of cotton, which did not sell very well in foreign markets.

This year, however, we appear to have already sold for delivery, after the beginning of the new fiscal year, possibly as much as 50 percent more cotton than we sold during the past marketing year, excluding the 3 weeks still remaining of it.

However, Mr. President, I am not too happy about the exclusiveness of section 4 which repeals the cargo preference provision as it relates to fruit. I am happy that we are repealing it as it relates to fruit, because that is one very

short step in the right direction. However, I hope that our fruit growers will not get their hopes up too high and believe that this is going to restore their foreign markets, because it is not. It may help somewhat in the sale of citrus fruit under Public Law 480, and it may help somewhat the sale of dried fruits, such as prunes and raisins. But I come from a section of the country which does not raise citrus fruits or prunes or raisins. We raise apples. I do not believe there is anything in the bill which will be of much benefit to the apple growers.

Our normal export market for apples is Western Europe. In the past we have done a sizable business in exporting apples to that area of the world. Most of the apples exported from the United States to Western Europe have been shipped from New England, New York, the Appalachian region, Virginia, and surrounding States; and the Pacific Northwest.

When the 50-50 cargo preference provision was enacted, the countries of Western Europe did not like it very well, and, in retaliation, they shut off our imports of apples into those countries. I do not believe we have exported an apple to Great Britain since this provision took effect.

Norway has canceled contracts with us, and other countries have done likewise. It was not that the cargo preference provision applied to apples which made them embargo our fruit, but because it applied to heavier commodities such as grains and cotton. That put them in a mood to retaliate.

So, Mr. President, I do not believe that simply exempting fruit and fruit products in connection with the 50-50 cargo preference provision is going to be of any particular advantage to our apple growers.

I am sorry that this provision stops where it does. Certainly, our fruit growers are entitled to it, and, also, our dairy producers are entitled to the same consideration, because dairy products have to be shipped in refrigerated ships. While this provision does not mean much as it relates to the export of apples, it would have been of material benefit had it been applied to dairy products, because the countries I have mentioned are not in a mood to retaliate because of the 50-50 cargo preference provision, as they do not have shipping themselves. The largest buyers of dairy products are Venezuela and the Philippines. Very little in the way of dairy products goes to the nations which object to the provision.

So, Mr. President, I am very regretful that the Chairman of the Committee on Interstate and Foreign Commerce and the committee itself would not include dairy products in this exemption from the cargo preference provision, because it would have been of considerable benefit to the dairy producers. In fact, I think it should have been applied to all perishable commodities. That would include a small amount of meats, poultry, and eggs as well as fruits and dairy products.

So, while I am glad we are getting this bill enacted and glad it contains this

provision which may be of slight benefit to our fruit growers, I am sorry we did not go further and extend this section so it would have done some real good in exporting all perishable commodities.

We are building up in foreign countries a market for dairy products. Our exports jumped from about \$80 million in 1954 to \$113 million in 1955. We are still building them up. Perhaps we are building them up at a loss, but we expected that when Public Law 480 was enacted. We expected to sell our surpluses at a loss, on very favorable terms—long-term credit, and so forth in order to build up permanent markets for American farm commodities throughout the world. I think that is being done very successfully.

So while I am glad to go along with all we can get, I certainly had hoped that this provision would be much broader than it is.

Mr. HOLLAND. Mr. President, I appreciate the live-and-let-live attitude of the Senator from Vermont. He knows, as I do, that all the apple-shipping organizations of the country have very readily supported the amendment.

Mr. AIKEN. I am certain they have, and for the same reason I support it. It holds out a little hope. We do not know how far we will have to go to get Great Britain, the Netherlands, and some of the other countries to relent from their embargo against American trade. It is possible that if we go a little further, they might meet us halfway.

Mr. HOLLAND. We are hopeful that our friends in Europe are getting fruit hungry. Last year the United Kingdom took about \$500,000 worth of canned grapefruit sections under the Mutual Security Act. This year they have considerably stepped up the amount to \$1 million worth of canned grapefruit sections and \$500,000 worth of concentrated orange juice. This indicates that we are creating a market not only for Florida citrus, but also for California and Texas citrus. Again, the United Kingdom would not take it except under the Mutual Security Act.

I call the attention of the Senator to the fact that practically all the shipping which is equipped to move these products belongs to the Scandinavian countries and the United Kingdom. So I have every feeling that they will be glad to come back into the market as purchasers under Public Law 480. The purpose should be to attract more purchasers of our products, because after all we are relieving a very sore spot by taking this action.

I appreciate the attitude of the Senator from Vermont, because last fall I had the pleasure of eating some of his famous McIntosh apples in Vermont. I hope he will not insist on moving any of them to Europe or anywhere else outside this country, because they are so delicious that I hope he will insist upon selling them to the people of Florida, Maryland, and other States, who I feel certain will be eager and glad to get those marvelous apples from the Green Mountains of Vermont.

Mr. AIKEN. Mr. President, I know that the testimonial from the senior Senator from Florida regarding Vermont

McIntosh apples will mean more to the people of our State than it would coming from almost any other individual.

I hope, now that our friends in Western Europe have reached the point of offering less resistance so far as Florida grapefruit are concerned, that soon they will also find their taste for apples is something which has to be satisfied at all costs, and will again permit our fruit to be shipped into the Western European markets.

We probably will not ship many of our Vermont McIntosh apples abroad. We have other varieties, however, which are better shippers. In fact, there are so many people in the United States who insist on having Vermont McIntosh apples to eat that I doubt we would have enough to supply the rest of the world, anyway. The McIntosh grows to perfection only over a limited area of the United States, and grows to its super perfection in the Green Mountains of Vermont.

Mr. HOLLAND. Mr. President, I feel certain that all Senators will join with me in expressing the feeling that we appreciate the modesty of the distinguished Senator from Vermont in mentioning the qualities of his fine McIntosh apples, which I tried to mention first, so as to relieve him from any false feeling of modesty. They are really the best apples I have ever eaten. I cannot believe that he would fail to find an adequate market for them in our own country.

Mr. AIKEN. I realize that when I tell the truth about Vermont products, I lay myself open to being accused of bragging. I try to stick to the truth at all times, as the Senator from Florida knows.

Mr. BUTLER. Mr. President, before the bill is passed with the committee amendment, as amended by the amendment offered by the Senator from Florida, I may say that, in my opinion, all that is being done by the bill could very well be done under section 901 (b) of the Merchant Marine Act of 1936, as amended. However, the amendment meets a situation which is peculiar to a particular field. In my opinion, it is not in any way a retreat from the cargo-preference principle, and certainly is not to be construed as such.

I have the greatest sympathy toward the views of the Senator from Vermont; but I respectfully say to him the opposition to cargo preference does not come from western Europe; I think the opposition comes from Great Britain and the Scandinavian countries. The Senator from Vermont suggests that that is western Europe, but I have never quite considered those countries to be western Europe.

Mr. AIKEN. They are the countries I have in mind. They are maritime countries which object to our cargo-preference law.

Mr. BUTLER. In that connection, I call the Senator's attention to the fact that they are the countries which own all the ships which would carry this type of cargo. Under the act to which I have referred, the departments or the agencies of the Government which would have to make the shipments are authorized, in the absence of American ves-

sels of the type desired, to employ foreign vessels at a reasonable cost.

So I think we are not adding anything at all to the law, and we are not substantially changing the law. I do not believe it is the intention of the Senator from Florida to weaken the law in any particular.

Mr. HOLLAND. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Florida will state it.

Mr. HOLLAND. Has my amendment to the committee amendment been agreed to?

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Florida [Mr. HOLLAND] to the committee amendment.

The amendment to the amendment was agreed to.

The PRESIDING OFFICER. The question now is on agreeing to the committee amendment, as amended.

The amendment, as amended, was agreed to.

Mr. HUMPHREY of Minnesota. Mr. President, I wish to ask the chairman of the committee a question with reference to title II of Public Law 480, the famine relief and other assistance title, section 201.

The Senator may recall that during the committee session I was somewhat concerned about the so-called relief provisions of title II.

I have checked into the matter further since the time of our discussion in the committee, and I have found that title II, section 201, contains the words: "to any nation friendly to the United States in order to meet famine or other urgent relief requirements of such nation."

The word "urgent" has been interpreted by the agencies of the Government to mean a catastrophic type of relief situation, and not necessarily one which is of a continuing nature. Therefore, it has been rather restricted.

It may be recalled that the Famine and Relief Act of 1953 also had a rather strict interpretation. For example, I find that in South Korea there are from 5 million to 7 million refugees. Of course, the South Korean refugees are being helped considerably through the appropriations under the mutual-security program. Nevertheless, their dietary standards are very low.

I have information with me from the International Cooperation Administration relating to the relief of Vietnam and South Korea which indicates the need of a considerably larger amount of assistance.

In Hong Kong there are 1 million so-called free Chinese who are seeking some measure of assistance in terms of food supplies. In South Vietnam there are still 100,000 refugees who are as yet not resettled.

My point of inquiry is whether or not, by including, after the word "urgent" such words as "or extraordinary," we would thereby give an appropriate interpretation to title II, so as to make it more effective for those areas of the world in which there is more than an immediate, temporary catastrophic type of situa-

tion, but, in fact, one that is continuing and of a somewhat long-range nature.

Mr. ELLENDER. I may say to the Senator from Minnesota that the committee did not consider title II at all.

Mr. HUMPHREY of Minnesota. But the Senator may recall that I spoke to the committee about it.

Mr. ELLENDER. I understand that; yes. But the committee dealt with title I only. I suggest that any further broadening of the program with respect to title II be taken up in due course, instead of amending the pending bill without any hearings. It strikes me, Mr. President, we are doing quite a lot for foreign refugees and others about whom the Senator from Minnesota is talking.

Mr. HUMPHREY of Minnesota. Indeed, we are.

Mr. ELLENDER. By making some of these surpluses available to countries under title I, with the bulk of the foreign currency proceeds made available to purchasers on a more or less loan basis, we certainly should be able to a considerable extent to relieve the famine and distress to which the Senator is referring.

Mr. HUMPHREY of Minnesota. I merely desire to point out that the administrative interpretation concerning the word "urgent" has placed a restriction upon the use of commodities under the title II provision relating to famine relief and other assistance. That title reads:

In order to enable the President to furnish emergency assistance on behalf of the people of the United States to friendly peoples in meeting famine or other urgent relief requirements, the Commodity Credit Corporation shall make available to the President out of its stocks such surplus agricultural commodities (as defined in section 106 of title I) —

Then it goes on, as I cited earlier, and states:

In order to meet famine or other urgent relief requirements of such nation.

I cannot help but believe the intent of the legislation as it was originally conceived was to provide for the very situations we are talking about. We have been pouring hundreds of millions of dollars into Vietnam. We have been making large expenditures in Korea. The truth is that the requirements of those countries are not being adequately met primarily because of the interpretation which has been placed on this particular part of the law.

I bow to the suggestion of the Senator from Louisiana that since we are discussing a matter which may have some rather far-reaching consequences, it might be much better to take it up after due deliberation and hearings by the committee, but I felt that this was the appropriate place to call it to the attention of the Senator and set the stage for a reappraisal and a redefinition of what we are doing.

Mr. ELLENDER. I may say further that in addition to making the food available under title I, I am sure the Senator is acquainted with the point 4 program which has been in effect in these countries for quite some time and by which we are increasing the agricultural productive capacity of these nations.

Mr. HUMPHREY of Minnesota. Yes.

Mr. ELLENDER. I had occasion to spend several weeks in Formosa and in South Korea last year. I received information that those countries, as well as Vietnam, are producing more food now on the same number of acres than they have ever done in their history. When all of those factors are added together, it strikes me that so called underdeveloped lands are pretty well taken care of except in cases of emergencies to which the Senator has referred. If the language of title II is being misinterpreted by the Department, then, as I said, we can take that matter up in due time early next year.

Mr. HUMPHREY of Minnesota. I think the trouble about interpretation is due to a previous enactment by Congress, before the permanent type of legislation came into effect, and that interpretation of the language still continues.

Mr. President, before the passage of the bill, I wish to make a comment on the question of surplus disposal.

During the course of long hours of the farm debate earlier in this session, I endeavored to make clear, among other things, that administrative understanding and administrative policy could have as much to do with checking falling farm prices and restoring higher prices in the market place as legislative policy itself. I fought vigorously for legislative mandates directing the Secretary of Agriculture to seek higher price levels for farm commodities because, from what I had observed, I lacked confidence in the willingness of the Department of Agriculture under the present administration to take the discretionary action already authorized and necessary to firm up farm prices.

Nothing I have observed since has changed my mind. On the contrary, events of recent weeks have emphasized more than ever that the Department of Agriculture is either satisfied with lower feed prices to the producer, or else it lacks the understanding and know-how to encourage firmer prices in the market place.

Somehow, Secretary Benson has been so frightened by the bugaboo of "surplus" created by Republican propagandists that he lacks either the vision or understanding to deal boldly with the problem of firming up farm prices, apparently being willing to drift with the tide.

Because it is now apparent that some of the hesitancy and fear existing in the Department of Agriculture today regarding any new venture seems to be based upon what Congress might think, I want to make my position clear today as one member of the Senate's Committee on Agriculture and Forestry.

For weeks the Department has had before it recommendations of the private grain trade—both the commercial trade, and the cooperative trade.

These are recommendations which relate to the sale and export of American agricultural commodities. They are good, sound recommendations—from experienced people who know what they are talking about. Yet the Department appears reluctant to accept them,

for fear someone will accuse the Department of favoring the private grain trade.

Mr. President, it seems strange indeed that some of us who have worked long and vigorously for an effective farm program—and been often wrongly accused of seeking to socialize agriculture—should now have to speak out in defense of our country's private grain marketing system.

It seems even more strange that an administration supposedly dedicated to furtherance of free enterprise and preservation of free markets should be the most reluctant to serve those very purposes.

Yet that is now the situation that confronts us.

In recent weeks I have had many experienced men from within the grain trade sadly confess that this administration has done more to socialize the marketing of grain than happened under all the previous years of farm programs. I have heard that similar admissions have been made by Republican-appointed officials within the Department of Agriculture, in their frustration over inability to get top officials to recognize the reality of what they are doing.

There is certainly nothing inconsistent about my vigorous efforts to protect producers through effective farm programs being coupled with just as strong a desire to protect our private marketing system. In fact, just the opposite. I hope and believe that an effective farm program is a part and parcel of an equally effective use of our private marketing system. I do not seek a program wherein the Government of the United States will take over the distribution and the marketing of the produce of the farmers. I believe in full utilization of the existing private marketing and distribution facilities. Our farm-loan programs to bolster producer prices were intended to work within the framework of normal trade practices and facilities, not to supplant them entirely with Government sales.

Mr. President, at this point I call to the attention of the Senate the charter of the Commodity Credit Corporation, in which it is expressly stated that the facilities of the Commodity Credit Corporation are not to supplant the existing marketing facilities, but are to supplement, to aid, and to be of help and assistance, rather than to monopolize and to take over. The charter of the Commodity Credit Corporation has always called for making the maximum use of existing marketing facilities, not driving the private trader out of business.

Congress has made clear its intent in that direction on many occasions, including investigations conducted by our agricultural committees to prevent the Commodity Credit Corporation from encroaching on private trade functions in our marketing system.

It does little good for the Government to expand its own sales efforts, if by so doing it competes with the farmers it is supposed to be helping—through just displacing sales of the private trade which would have to obtain grain from the farmers.

Yet that is what this administration has been doing, is still doing, and seems afraid to stop doing.

That is why it presents the strange picture of telling Congress how it has disposed of more surplus than ever before, only to end up having more supplies in Government ownership than ever before.

The truth is that it is not just disposing of surplus; it is following policies which just mean that more and more of the total production must run through Government hands, taking over more and more of the normal markets formerly served by private traders and exporters.

I, for one, do not believe that is the intent of Congress, nor do I believe such an approach solves any problems for farmers.

It is this shortsightedness which is costing us greatly increased storage costs, costs which this administration likes to blame on the price-support programs. The truth is that these costs are multiplied many fold by the administration's policies of administering the price-support programs, not by the price-support programs themselves.

Mr. President, I say it is time to call a halt, and to start at once to reexamine very carefully the methods being used by the Commodity Credit Corporation in the marketing of our commodities.

What is it the grain trade has suggested, but the top officials of the Department of Agriculture seem to be so hesitant to accept? Actually, it is very simple. All that the grain trade requests is that the Government let the private trade handle more of the market it normally handles, so that more grain will move through private hands, and less of it will have to go through Government hands. Mr. President, that is within the full purpose of the Commodity Credit Corporation's enabling act and charter.

I rise today on the floor of the Senate to say that if the present trend continues, the private marketing of grain will be seriously curtailed and crippled. So it is about time for us to decide whether the Commodity Credit Corporation is to be a supplement to the private grain-trade marketing system or whether it is to supplant it. I, for one, understand that it is to be supplementary, and that it is not to preempt the field and take it over.

The grain trade has recommended that prior to the start of each crop year, the Department of Agriculture announce that on and after the start of that crop year, Government grain will not be available for sale for export.

That is not as startling as it sounds. This announcement has, in substance, been made in the past for corn, for barley, and for other coarse grains. As a result, producers of these grains are not required throughout the crop year to compete with the Government as a seller in the market place.

Such an announcement has never been made as to wheat. Throughout the wheat-crop year the Government has continued to make its stocks available for export for International Wheat Agreement sales, for non-International Wheat Agreement sales, and for sales for

foreign currency. As a result, little wheat has been purchased in the open market by exporters, and the market prices have remained well below parity and the statutory resale price.

Mr. President, what I am trying to say is that when the Government continues to hold all the supplies, there is only one place for the exporter to go, to obtain his supplies, and that is to the Government. We also find that the Government itself is making direct sales, thereby upsetting a long-established and normal practice in the marketing of grain.

The grain trade has recommended that the Department of Agriculture this year announce that Government wheat will not be available for sale for export, and that following the technique used for 7 years for International Wheat Agreement sales, the Government will pay a cash subsidy to encourage the export sale of wheat purchased in the open market. In a sense, that is what we had under the International Wheat Agreement. The grain trade is asking that that principle be applied to export sales of grain.

Government wheat stocks would still be available for barter transactions and, if necessary, for domestic and foreign-relief program, such as the programs authorized under title II of Public Law 480 and under the Mutual Security Act.

The trade has recommended also that a cash subsidy be used to encourage exportation of free-market stocks of other grains and the abandonment of sales of Government stocks for export. These sales of Government stocks for export are at world prices well below loan levels.

So, Mr. President, when the Government sells, it is in fact subsidizing the sale. It is a matter of where the subsidy goes. Under Public Law 480 transactions, there is a subsidy. There is a subsidy under the mutual security transactions relating to agricultural exports. The grain trade is asking, "Why does the Government enter into this business, thereby forcing down the normal price levels in the American domestic market? Why not let the grain trade buy in the American market, bidding up the prices, and thereby giving the producers a better price and reducing the amount of subsidy or loss that comes to the Government through an export program?"

Mr. President, these sales of Government stocks for export are, as I have said, at world prices well below levels of the loans made by the Government on that commodity. Because of them, producers regard the loan program as their most satisfactory market. Under them, for each bushel of grain sold, 1 or more bushels of grain are funneled into Government stocks, through the loan program. Because of them, only a limited use is made of the efficient private grain marketing system.

Under the present program, Government stocks increase, and Government costs of handling and storing are increased, not decreased. Under the loan program or under the system presently being operated the producers suffer, and a stage is set where the Government adopts, in effect, State trading proce-

dures, thus depriving grain producers of the chance to obtain in the market place a price approaching parity.

If the Government withdraws its stocks of wheat from sale for export, exporters and others will have to become wheat buyers in the market, as distinct from wheat buyers from the Government. This will tend to bring about a market price approaching parity, and to result in a market price at or better than the loan level. Under such circumstances producers may obtain parity in the market place, and little, if any, wheat will go under loan or have to be turned over to the Government.

The entire basic concept of the price-support loan program was aimed only at holding back from the market enough to force market prices up to a reasonable level. It was never the aim of backers of these programs that the farmer must look to the Government as his only outlet, and that all marketing should be done through the Government.

During the course of the farm debate I told this body:

Now, if this administration is so afraid of a surplus it should set out to really make these programs work.

When commodities are placed under loan, they are going to end up in Government hands unless the Department can effectively manage its program to stimulate the market up above the loan level. Once the market gets up there, all the Government eventually has to acquire is the real surplus or amount above effective demand, rather than having to take over far more than is actually surplus just because some of it is under loan that farmers cannot repay at going prices.

That is what I warned the Senate last February. And that is what is still happening today.

Every experienced man in the grain trade recognizes this, and they have been trying as I have tried to convince the Department of Agriculture it is true.

I have been pleased to see the grain trade come up with positive recommendations, as experienced traders, to meet some of our surplus and marketing problems. Yet I must say that they are now learning what I learned long ago—it is a difficult task to convince this administration to act, even if it makes good sense to act.

I respectfully suggest that people who have been in the export business for a half century or longer may very well have some good suggestions to offer. They know how to trade in the world market. I think they may know of a little better method of trading in the world market than a surplus-disposal program strictly under Government auspices.

Quite frankly, I withheld public comment on the grain-trade's recommendations for fear of prejudicing them just because they coincided so closely with my own previous suggestions. However, when I heard officials of the Department of Agriculture were hesitating for fear of what the reaction might be in Congress, I did inform the Department that I felt it was a wise course to pursue and well within the intent of Congress. At least, it is a course worth exploring, in the light of the difficulties we have had in market-

ing our surplus agricultural commodities.

When the Department of Agriculture still refused to act, I became convinced it was time to bring this out in the open.

It is time for the public to see who is really trying to preserve free markets and preserve the private trade, and who is forcing socialization of the grain industry.

Just as I tried to advise Department officials last January and February, the grain trade is advising them now that present policies result in the Government carrying all the inventory risks for the private trade.

Under present procedures, with the Government present each day as a willing seller for export, there is no incentive for grain firms to assume inventory risks of their own. Therefore the Government gets all the inventory, and the private trade looks to the Government rather than to the producer as its source of supply. The inevitable consequence of this kind of arrangement is to depress prices to producers, and to eliminate the distributors and marketers of agricultural commodities.

These risks are being carried by the Government at the expense of the taxpayer, and to the detriment of the farmer and the farm program.

At no additional expense to the Government, and to the benefit of farmers and the farm program, while providing for a gradual and orderly disposition of Government stocks through barter and relief operations, a cash subsidy, computed as now under the International Wheat Agreement, to reflect the difference between the world price of wheat and the domestic market price, should be placed into operation to get more of this trade back into private hands, into the hands of people who know how to trade, how to sell, and how to find the private markets. Those are the private traders.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks a press statement issued by me on January 22, 1956, covering the same point, at the time I was endeavoring to convince the Department of Agriculture of this situation, while we were drafting the new farm bill.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

SENATOR HUMPHREY ASKS FACTS ON SURPLUS
V. INVENTORY FOR NATION'S NEEDS

Senator HUBERT H. HUMPHREY, Democrat, of Minnesota, called upon the administration yesterday to "tell the Congress and tell the American people what is surplus and what is not in the Government's holdings of farm commodities."

He urged the Senate Agriculture Committee, of which is a member to—

1. Ask the National Security Council to determine what level of supply of various major commodities should be maintained as available, in the public interest, for immediate needs and potential emergency needs.
2. Ask the Department of Agriculture to make known to what extent its present holdings are normal inventory of the commodity trade rather than real surplus beyond total domestic requirements, export needs, and safe reserves.

"Here we are in Congress, asked in the President's message* to get rid of our surplus

and cut back our agricultural production plant, without the slightest guidance from the administration as to what they mean by 'surplus', or what level of supply they believe should be retained in the public's interest to protect consumers against a future shortage," Senator HUMPHREY said.

"Instead of all the prattle about 'surplus' to hide the failure of its farm program, it is time the administration gave us some facts about where it believes we should draw the line between safe supplies and surplus production.

"Instead of embarking recklessly on a 'get-rid-of-it-at-any-cost' campaign, let us first find out what the Nation's needs are in terms of our growing population, our increased cattle numbers, and our possible emergency needs on the international scene."

If by surplus the administration means everything in the Government's hands, Senator HUMPHREY warned, "It is recklessly misleading the American people at the risk of stampeding us into shortages."

"The truth is that much of the Government's present commodity holdings are the normal inventory of the private commodity trade," Senator HUMPHREY said.

Senator HUMPHREY challenged the administration to reveal the decrease in inventories normally carried in private hands "since it first announced its intention to lower price-support levels."

Much of the so-called surplus problem, Senator HUMPHREY said, is merely getting the private trade to "carry its own inventory, instead of having it carried at Government expense.

"Ever since this administration started lowering price supports and adopting other price-depressant policies, private commodity dealers have reduced their own normal inventories because they knew they could buy back all they wanted whenever they needed it later at lower prices from the Government.

"You cannot expect the trade to carry large inventories of its own as long as it thinks the Government might come along and lower prices. As a result, any surplus disposal program based upon domestic dumping at lower prices means the trade will be even less inclined to increase its own inventories, and our surplus will grow rather than dwindle."

The most effective surplus-disposal policy that could be adopted right now, Senator HUMPHREY said, would be "for Secretary Benson to announce he was going to ask Congress to restore 90 percent of parity for next fall's crop, but that the trade would have 90 days in which it could still buy from the Government at present support levels.

"Private traders would start rebuilding their inventories to normal levels overnight, greatly reducing the stocks in Government hands and drastically cutting Government storage costs," Senator HUMPHREY said.

"If an auto dealer were overstocked, he could not stimulate much business by publicly announcing prices would be lower 6 months from now. But he could attract business now, by revealing prices were going to be raised 6 months from now."

Mr. HUMPHREY of Minnesota. I note in this release that I urged the Senate Committee on Agriculture and Forestry to ask the National Security Council to determine what level of supply of various major commodities should be maintained as available, in the public interest, for immediate needs, and potential emergency needs.

Second, I urged the committee to ask the Department of Agriculture to make known to what extent its then present holdings were normal inventory of the commodity trade rather than "real surplus" beyond total domestic requirements, export needs, and safe reserves.

The people of the United States are not being given factual information. In other words, they are not being told the truth. I want the Department of Agriculture to tell us just what is surplus and what is not. Surplus does not mean every pound and bushel of grain which gets into the Government's hands. Surplus should be regarded as that which is over and beyond the immediate needs of our domestic requirements, estimated export needs, and safe reserves, which are provided under law as set asides in the normal industry or the normal private grain trade. When today we read in the press about agricultural surpluses of grain, we read literally about all the grain that is in the market. The Department of Agriculture has refused to delineate, define, and make precise and certain what is meant by a surplus. Until it does so, it will continue to depress the entire market, to the detriment of the producer and grain trader alike.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point in my remarks a further press statement, issued by me the following day, January 23, 1956, again intended to show how sales policies of this administration were disrupting private trade to the detriment of the farmer.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

ROTATING OF CCC STOCKS ASKED TO CURB
PRICE-DEPRESSING DUMPING OF CORN

Curbing of the Secretary of Agriculture's authority to "dump" supposedly deteriorating corn or other farm products onto the market at distressed prices, underselling farmers they are supposed to protect, will be asked in the new farm bill today by Senator HUBERT H. HUMPHREY (Democrat, Minnesota).

Protesting what he termed had been a "cruel hoax" seriously depressing the corn market during the past year, Senator HUMPHREY said he would insist that the new farm bill contain a provision requiring the Secretary to replace by purchases of good quality stocks in the open market any commodities he is forced to sell because they are in danger of spoilage.

"The present farm law contains a necessary provision permitting the Secretary to sell rather than hold any commodities in danger of spoiling in storage," Senator HUMPHREY explained. "Nobody objects to that, but the present administration has seized on this power as a 'dumping' vehicle to depress already low prices still further.

"The antispoilage provision was never intended as a market factor. If the Commodity Credit Corporation's holdings are acquired for the purpose of stabilizing prices, as the law requires, then these stocks should be rotated by being replaced with new commodities acquired in the open market whenever it becomes necessary to dispose of deteriorating commodities."

Senator HUMPHREY charged Secretary Benson had been endeavoring to use the "spoilage" loophole as a surplus disposal "tool," regardless of the consequences on the farmer. The result, he declared, has kept the free market far below the price support levels, driving prices down to 60 percent of parity and rendering the support program on corn "ineffective."

"Thousands of bushels of corn have been improperly disposed of in this way at bargain-counter prices, declared 'out of condition' or borderline cases and yet accepted by the trade for normal feed use in direct

competition with the products the farmer is trying to sell at decent prices. These supplies have sharply curtailed normal markets available to our farmers, and forced down the entire price level of corn.

"It is far from a secret in the grain trade that corn supplies labeled 'in danger of spoilage' by the Department of Agriculture are being purchased regularly by the trade and used to displace corn that would otherwise have been purchased from farmers.

"Such tactics as these, indicating the Department's willingness to undercut the market, have kept private dealers apprehensive about carrying any substantial inventories of their own, aggravating the Department's surplus problem and adding to its storage costs that otherwise would be borne by the private trade.

"In spite of all its lip service to preserving free markets, this is just one more illustration of the way the Department of Agriculture has consistently disrupted normal functions of such markets, led to administered low prices for farm products, and channeled too great a proportion of our commodities through Government hands," Senator HUMPHREY said.

"No matter what we write in the law, there will be trouble trying to stabilize farm prices as long as we have officials in the Department of Agriculture committed to lowering prices instead of encouraging higher prices. Secretary Benson talks about hopes for more 'buoyancy' in the commodity markets as a result of new farm legislation, but there can not be much 'buoyancy' if traders know the Department is eager to 'dump' its holdings and undersell the normal market at any excuse it can find."

Mr. HUMPHREY of Minnesota. In this particular statement I pointed out the abuse of the so-called antispillage provision of the farm law. The present farm law contains a necessary provision permitting the Secretary to sell, rather than hold, any commodities in danger of spoiling in storage. I said then, and I repeat, that no one objects to that, but that the present administration has seized on this power as a vehicle for dumping, to depress already low prices still further. I further said:

The antispillage provision was never intended as a market factor. If the Commodity Credit Corporation's holdings are acquired for the purpose of stabilizing prices, as the law requires, then these stocks should be rotated by being replaced with new commodities acquired in the open market whenever it becomes necessary to dispose of deteriorating commodities.

I pointed out, by fact and example, that thousands of bushels of corn, supposedly in a condition near spoilage, had been dumped on the market to depress corn prices.

I pointed out some very unusual market practices by the Commodity Credit Corporation, in removing from the Midwest millions of bushels of grain and corn and sending them all the way to Seattle, thereby leaving a dearth of supply in the Midwest to meet temporary drought conditions.

Also, at the present time the port of New Orleans is under embargo against further shipments of agricultural commodities, because of a tremendous quantity of grain sent by the Commodity Credit Corporation to the port of New Orleans, utilizing boxcars and literally fouling up the whole transportation system, and at the same time not leaving supplies available in areas of the coun-

try where they might very well be needed. Furthermore, the result is excessive freight and other transportation costs both to the Government and to the ultimate purchaser of the supplies.

Very frankly, the Commodity Credit Corporation's operations in the movement of so-called surplus farm commodities is something that needs a very careful investigation. No individual business firm in America would engage in the kind of movement of grain that the Commodity Credit Corporation is presently engaged in.

I rise on the floor of the Senate to protest against what I consider to be very unbusinesslike and very inefficient methods, which are costly, first to the taxpayers, because of the extreme charges for transportation for long hauls; secondly, costly to the producers, by throwing their market out of balance and depressing prices; thirdly, costly to the grain trade, by reason of the fact that the grain trade is denied the right to do the kind of business it is equipped to do by experience.

Mr. President, when this administration first set up its legislative version of the new soil bank it contained further authority for opening the flood gates of CCC holdings so that the Government would be competing even more with the farmer in the market place, taking over the entire market instead of trying to bolster markets for the farmer. When I called attention to this fact, fortunately, even sponsors of the administration version backed away from his provision for using CCC stocks as a means of financing the program—and it is now fortunately omitted from the farm bill.

I pause to relate again, Mr. President, that the recommendation of the administration was to dump more commodities on the market. Had that taken place, it would have depressed farm prices more and more, and it would have jeopardized the entire grain trade.

The trouble is that the administration is so concerned about getting rid of surpluses, no matter how the result is brought about, that it may very well get rid of the whole grain trade, and the farm producers as well.

The administration first built up this bugaboo about surpluses, about these monstrous surpluses, frightening the daylights out of ever consumer and every taxpayer in the country. It first built up this political issue of monstrous surpluses. Now, it must get rid of them. It is getting rid of them, to be sure, at great cost, not only to the taxpayers, resulting ultimately in a loss on the program, but getting rid of them also at a loss to the farmers and the farm trade. There is a way to market farm commodities through surplus sales.

I note the presence in the Chamber of the Senator from New Mexico [Mr. ANDERSON]. As Secretary of Agriculture, he had experience with marketing Commodity Credit Corporation supplies. He did market them without loss to the Government and without jeopardizing the normal free-enterprise trade transactions of the farmers and grain traders and cooperatives. It is a delicate and difficult job, but that is the task of government. The task of government is

not to make itself a government warehouse for all commodities. The task and responsibility of government is not to supersede normal marketing operations, and not to take over from private enterprise. The task of government and the responsibility of government is to supplement and to assist and to encourage and to help, and in the process of doing it not to smother or so embrace the whole agricultural structure as literally to snuff out its life.

I know of no valid reason for the Department of Agriculture to reject the grain trade proposals, proposals endorsed by the National Federation of Grain Cooperatives as well as unanimously approved by the members of the National Grain Trade Council.

Such a program can be instituted under existing law. The charter of the Commodity Credit Corporation, the Agricultural Trade Development Act, and the basic support law appear to grant adequate authority to the Department to pay a cash subsidy to aid in exporting agricultural commodities for which support programs exist and as to which there is a surplus.

I pause again to say that we should find out what is surplus. The word "surplus" needs definition. There are statutory factors in the law which can make it possible for the Department of Agriculture to define every 3 months what is surplus and what is normal inventory. Normal inventory must not be confused with surplus, or vice versa. They are separate and distinct.

My personal view has long been that we would be better off turning to a compensatory payment plan for all of our farm price-support programs so that we would have the least possible disruption of normal marketing operations. Eventually, I am sure, even the trade will come to recognize this as the most economical way of meeting the social objectives of a sound agriculture and yet preserving the necessary functions of a free market. But even though that day has not yet fully arrived, a sound step can be taken in the right direction by the approach the grain trade now favors as related to export markets.

To make a cash subsidy available under existing statutory authority—and we believe such authority does exist—will assure maximum use of the usual and customary facilities and channels of private trade, and remove the threat of State trading which increases each day under present programs. I am convinced that these results can be accomplished while permitting producers a chance to obtain a parity price in the market place, but to do it the cash subsidy procedure for wheat should be made available at once to stimulate the free market now—not wait until after all the new crop is in the hands of buyers and out of the hands of producers. There is good evidence to support the contention that such a plan would boost wheat prices to farmers some 12 to 16 cents a bushel.

If I were looking at this farm situation from a political standpoint I suppose I should hesitate to recommend a plan that could advance wheat prices so substantially just before an election. But fair returns to producers is of the first

concern to me, win or lose elections—and for that reason I would welcome any action the Department now takes to firm up prices, whether politically motivated or not.

I want the administration to get off dead center and start using some creative and imaginative sound sense and get to work and do something about the export trade problem and about domestic prices before it is too late.

Mr. President, the American Farm Bureau Federation and I have not always seen eye to eye on farm legislation. I suppose that is commonly known in the Senate. However, apparently in this instance we do agree.

The board of directors of the American Farm Bureau Federation, meeting a few days ago in Chicago, recommended substantially the same course of action I have been urging for months and which the entire grain trade is now supporting.

I ask unanimous consent to have printed in the *RECORD* at this point in my remarks a press release dated June 29 from the American Farm Bureau Federation in Chicago, Ill.

There being no objection, the press release was ordered to be printed in the *RECORD*, as follows:

CHICAGO June 29, 1956.—The board of directors of the American Farm Bureau Federation in quarterly session here today in the Hotel Sherman issued the following statement on recommendations for changes in Commodity Credit Corporation's policies on the sale of wheat for export:

"We have given careful consideration to the Commodity Credit Corporation's present policy with regard to the sale of wheat for export and also to the various proposals for changes in this policy. It seems clear that the CCC's present policy of selling wheat for export at concessional prices at the ports virtually forces exporters to obtain export supplies from the Corporation rather than through normal channels of trade. This reduces the effectiveness of the wheat price support program, and greatly increases the proportion of the current wheat crop which the CCC must take over each year, move to the ports, store, and finally return to trade channels.

"The CCC was established to support farm prices and store surpluses—not to displace the normal channels of trades as a handling and marketing agency. CCC wheat is largely stored in elevators which have the responsibility of keeping it in condition by rotating stocks. Consequently, we see no justification for forcing the use of CCC stocks to supply export markets where the result is to force the CCC to take over a large percentage of the current crop. Accordingly, we recommend that the CCC's wheat export policies be modified on a 1-year trial basis to permit wheat to move into export from both port and interior positions through the normal channels of trade where sales are made under the existing export subsidy and foreign currency sales programs. We further recommend that export subsidy payments under the International Wheat Agreement and related programs be made in kind from CCC stocks rather than in cash, and that the CCC be permitted to continue to supply wheat for export in transactions involving barter, donations, inventory management or the sale of wheat for feed.

"While we feel that increased reliance on the normal channels of trade should improve our ability to export wheat, we are proposing that the above recommendations be adopted on a trial basis so that their effect on the expansion of export trade in wheat can be reviewed after a year of experience. We also

fully recognize that other steps are needed to improve our competitive position in the world wheat market. The next step should be a comprehensive revision of our wheat grades to reduce the excessive tolerances for undesirable material now permitted in some grades, and thereby facilitate the export of a better quality product. We therefore urge that the USDA expedite the studies now underway on proposed changes in the wheat grades."

A copy of the federation's board's statement was forwarded to Secretary of Agriculture Benson.

The present policy of the CCC is to move wheat into position for export and domestic storage to suit its convenience, and to sell wheat for export at the ports at prices which are less than the cost of acquiring privately owned grain at interior markets and moving it to port through normal channels of trade.

Mr. HUMPHREY of Minnesota. Mr. President, I ask that my colleagues study this release very carefully. The American Farm Bureau Federation has come out very strongly for a trial run of a type of program of export subsidy payments such as is now used under the International Wheat Agreement, by removing these commodities and selling them in the normal trade channels, and thereby encourage the most favorable market price both at home and abroad.

I believe the philosophy of this approach is also consistent with the resolutions adopted by our other major farm organizations at their most recent conventions.

Mr. President, I should also like to ask unanimous consent to have printed in the *RECORD* at this point a membership list of the National Grain Trade Council supporting this proposal, together with minutes of the council's May 23 meeting urging such action.

There being no objection, the list and minutes were ordered to be printed in the *RECORD*, as follows:

NATIONAL GRAIN TRADE COUNCIL,
EXECUTIVE OFFICES,
Washington, D. C.

MEMBERSHIP LIST

American Feed Manufacturers Association, Inc., Chicago, Ill.
American Seed Trade Association, Chicago, Ill.
Barley and Malt Institute, Chicago, Ill.
Grain and Feed Dealers National Association, St. Louis, Mo.
North American Export Grain Association, Inc., New York, N. Y.
Terminal Elevator Grain Merchants' Association, Kansas City, Mo.
Baltimore Chamber of Commerce, Maryland.
Buffalo Corn Exchange, New York.
Chicago Board of Trade, Illinois.
Cincinnati Board of Trade, Ohio.
Denver Grain Exchange Association, Colorado.
Des Moines Grain Exchange, Iowa.
Duluth Board of Trade, Minnesota.
Enid Board of Trade, Oklahoma.
Fort Worth Grain and Cotton Exchange, Texas.
Indianapolis Board of Trade, Indiana.
Los Angeles Grain Exchange, California.
Memphis Board of Trade, Tennessee.
Merchants' Exchange of St. Louis, Missouri.
Milwaukee Grain Exchange, Wisconsin.
Minneapolis Grain Exchange, Minnesota.
New Orleans Board of Trade, Ltd., Louisiana.
New York Produce Exchange, New York.
Omaha Grain Exchange, Nebraska.

Peoria Board of Trade, Illinois.
Philadelphia, Commercial Exchange of, Pennsylvania.
Portland Grain Exchange, Oregon.
St. Joseph Grain Exchange, Missouri.
Salina Board of Trade, Kansas.
San Francisco Grain Exchange, California.
Seattle Grain Exchange, Washington.
Sioux City Grain Exchange, Iowa.
Toledo Board of Trade, Ohio.

ACTION OF NATIONAL GRAIN TRADE COUNCIL
DIRECTORS AT MEETING, WEDNESDAY, MAY
23, 1956

The directors, upon motion made and seconded, unanimously voted that the National Grain Trade Council recommended that—

1. The USDA April 6 announcement on sales of Government grain for export be modified to permit, in addition and in preference, to sales of Government grain at seaboard positions, sales of such grain for export on an f. o. b. track interior terminal market basis with the grain so sold to be insulated from use in the domestic market and the buyer required to move to export from the terminal market, where he takes delivery, the same grade and quantity of grain purchased and, as to wheat, in addition to grade and quantity as above, the same protein.

2. The USDA make available a cash subsidy to encourage the export of United States grain, within statutory and budgetary limits and that to the extent a cash subsidy is not available, a subsidy in kind from Government stocks be available with these stocks to be supplied at seaboard, in store, f. o. b. steamer or track seaboard, or f. o. b. interior markets, as mutually agreed between CCC and the buyer, and, if supplied f. o. b. interior terminal markets, the grain so supplied to be insulated from use in the domestic market and that there be moved to export from the terminal market where supplied the same grade and quantity of grain supplied, and, as to wheat, in addition to grade and quantity as above, the same protein.

3. The chairman and the council's committee is authorized to recommend as to each type of grain a program involving an announced subsidy or, except as to wheat, a bid subsidy procedure as in the committee's judgment will maximize the volume of grain exports.

Mr. HUMPHREY of Minnesota. I am extremely pleased that the Minneapolis Grain Exchange has been in the forefront in advocating this move to get more of the export trade back into private hands, and believe they are doing it conscientiously in the belief it will be best for the producers, best for the Government, and best for the taxpayers.

Mr. President, I can understand the concern in the Department of Agriculture to make a good showing on disposal of its own holdings by sending them abroad. Yet I do not believe anyone in this Senate is fooled by heavy Government sales if it just means the Government has to acquire twice as much more as it sells.

I regret to say, Mr. President, that that is, in substance, what has happened. It is time to halt such vicious circles, and this plan, I think, offers a sound way to accomplish it. At least, the basic principles of the plan which has been suggested appear to me to afford an opportunity to do a better job in the sale and disposal of American agricultural commodities.

Much of the problem comes from refusal of the administration to ever decide what is really surplus and what is

not surplus. The administration should set one part of the surplus aside and say, "That is what we need for normal requirements, for export needs, and for safe reserves." That is not surplus. That is what we might call normal supply.

I might remind the Department that Government holdings may have no real relationship to what is actually "surplus." A definition of surplus is contained in Public Law 480, and it refers not alone to Government holdings but to the amount in either public or private hands above and beyond normal domestic demand and anticipated export sales.

It is time for our Government to concentrate on developing additional outlets for the real surplus, instead of merely displacing private marketings so it can report increased sales while still letting its own holdings accumulate bigger and bigger because of the displaced private markets.

It is time to draw a line between straight concessional sales for export and real surplus disposal, by deciding just what is surplus and then channeling export sales back into private hands while we get rid of our surplus through other outlets not disrupting normal sales.

While Congress has told the Department of Agriculture it wants the surplus liquidated, it has not told the Department it wants it to grab the entire market away from private hands to the extent that the Government holdings increase rather than decrease despite heavy sales being reported.

We have given the Department the broadest possible authority for barter programs, for participation in relief programs through voluntary agencies, and for use of food to help carry out economic development programs that stimulate and increase consumption and build future markets.

That is where the Department should be concentrating its surplus disposal efforts, instead of just taking away markets from private traders for the sake of big sales to report to the Congress. Those sales mean nothing if they just displace private sales.

What we need quickly is a firm policy encouraging private traders to go into the market and buy from farmers, to fill export orders. If it takes subsidies to do that, let us have the subsidies—we will be better off to pay them directly and gain the double benefits of higher farm prices and a stabilized private trade, than to pay them indirectly through Government losses and along with it get lower farm prices, increased Government holdings, and liquidation of our private marketing system.

If this administration really believes in free markets—if it really believes in preserving the free-enterprise system—now is the time to show it.

I am calling upon the administration to demonstrate a little political courage and sound economic judgment in reexamining marketing practices, the practices of the Commodity Credit Corporation and the policies of the Department of Agriculture in trying to tie in to all this the utilization of great private resources and to strengthen such private resources in private trade channels and thereby make more orderly the market-

ing practices of our Government and of our economy.

Mr. President, I am sorry that I had to take this much time. The chairman of the committee desired to pass the bill quickly, but I wish to say, very frankly, that I represent in part a State which has very deep concern about matters such as this, and I have waited for 3½ or 4 months for the Department of Agriculture to make up its mind what it is going to do. I think it is time that someone literally alerted them to the fact that we are not going to stand idly by much longer. I am hopeful that we will get from the Department statistical evidence of what is in surplus. I do not want surplus to be defined as anything the Department can find throughout the country in terms of production.

I want surplus reports to be made on the basis of the definition in Public Law 480, on the basis of statutory enactments of the Congress. I should like to have from the National Security Council what it believes is the necessary, safe reserve for the security of the Nation.

Mr. President, I am a little bit fed up with listening to and reading comments about surpluses which are not truly surpluses at all, but which have a psychological effect on the market in depressing prices and causing the Government to enter more and more into the grain business.

I am somewhat surprised that the Members the Senate who have been the champions of free enterprise have not recognized what is happening. Frequently small county elevators have had to fight for their rights because of storage policies on the part of the Commodity Credit Corporation. We now often see the big ones in trouble, because no one in America is as big as the Government, and the Department of Agriculture, with loan authority running into billions of dollars—\$12 billion or \$13 billion—makes any other industry look insignificant.

Mr. President, we are going to consider a bill to extend the loan authority of the Commodity Credit Corporation. If we are going to give the Commodity Credit Corporation from \$12 billion to \$13 billion worth of capital, then I say we had better make sure that the policies of government do not literally dry up all our normal enterprise system of distribution and marketing.

I wish some good Republican free-enterpriser would start to defend the free enterprise system for a change and not have to rely on us, who have from time to time been accused of not being friends of free enterprise. I am its friend. I look upon the role of government as a helping hand, not a crushing hand.

I look upon the role of government to be of some supplementary purpose rather than to supplant. I am hopeful that the Department of Agriculture will find the time to look over these remarks. And may I warn them that I shall be back again unless there is something done in terms of policies and practices to correct those which I think are leading to very unjustified and uneconomic procedure.

THE PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill (S. 3903) was ordered to be engrossed for a third reading, read the third time, and passed.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, its reading clerk, announced that the House had passed, without amendment, the following bills and joint resolution of the Senate:

S. 220. An act conferring jurisdiction upon the United States District Court for the District of New Mexico, to hear, determine, and render judgment upon certain claims arising as a result of the construction by the United States of Elephant Butte Dam on the Rio Grande;

S. 449. An act for the relief of George Pantelas;

S. 1178. An act for the relief of Mrs. Sylvia Simonson;

S. 1245. An act for the relief of Agnes V. Walsh, the estate of Margaret T. Denehy, and David Walsh;

S. 1616. An act for the relief of Sumiko Ariumi Bilson;

S. 1798. An act for the relief of Mrs. Charles C. Phillips;

S. 2008. An act for the relief of Winifred A. Hunter;

S. 2169. An act for the relief of M. B. Huggins, Jr.;

S. 2240. An act for the relief of James Richard Hogan;

S. 2244. An act for the relief of Maria Novak;

S. 2352. An act for the relief of Major Luther C. Cox;

S. 2690. An act for the relief of William G. Jackson; and

S. J. Res. 163. Joint resolution granting the status of permanent residence to certain aliens.

INCREASE BORROWING POWER OF COMMODITY CREDIT CORPORATION

Mr. BIBLE. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 2312, Senate bill 3820.

Mr. O'MAHONEY. Mr. President, before action is taken upon the motion, may I ask the Senator from Nevada if it will be in order for me to take the floor and make a few remarks about the automobile dealers good faith bill, which passed the Senate last week, without interrupting the progress of the Senate unduly?

Mr. BIBLE. Mr. President, I wish my good friend from Wyoming would defer making his remarks, so that the Senate may proceed to the consideration of this bill. The Senator from Louisiana [Mr. ELLENDER] has been standing by all day today and all day yesterday. I understand it will not take very long to dispose of the measure.

Mr. O'MAHONEY. It was because I expected there might be a situation that I asked my question of the Senator, instead of trying to obtain the floor. Of course, I shall defer my remarks.

Mr. BIBLE. I thank the Senator from Wyoming for his indulgence.

Mr. President, I renew my motion that the Senate proceed to the consideration of Calendar No. 2312, Senate bill 3820.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (S. 3820) to increase the borrowing power of Commodity Credit Corporation.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Nevada.

The motion was agreed to; and the Senate proceeded to consider the bill, which had been reported from the Committee on Agriculture and Forestry with amendments.

Mr. ELLENDER. Mr. President, this bill was introduced by me at the request of the Department of Agriculture. When it was first referred to the Committee on Agriculture and Forestry, the request provided for an increase in the borrowing power of the Commodity Credit Corporation from the present \$12 billion to \$14 billion. In the meantime, it is estimated that an additional amount of \$500 million may be needed by next spring and this was added by the committee. Therefore, the bill before the Senate today asks for an increase in the borrowing power of the Commodity Credit Corporation to \$14.5 billion.

The primary reason for the Department needing the additional \$500 million is the recent passage of the soil-bank program. As Senators will recall, the financing of the soil bank is to be accomplished, for the first year, by the Commodity Credit Corporation. The Department of Agriculture asked for a \$2 billion increase on the assumption that amount would be necessary to take care of price-support operations—loans and

purchases—for crops now growing. The committee amendment, as I have just indicated, would increase the Corporation's borrowing authority by the additional sum, which we hope will be sufficient to defray the cost of such contracts during the remainder of this year as may be entered into by the Department of Agriculture under the soil-bank program.

As of April 30, 1956, the Corporation had \$11.5 billion of its borrowing authority in use. Of this amount, actual borrowings accounted for \$10.7 billion, and obligations to lending agencies accounted for \$800 million.

Eight billion six hundred million of this \$11.5 billion was covered by the CCC's investments under the price support program, consisting of \$2.6 billion in outstanding loans, and \$6 billion in price-support inventories. The remaining \$2.9 billion represented the net investment of the Corporation in items other than price support, including a realized deficit of \$1.9 billion and accounts receivable from appropriations providing reimbursement for special programs of \$900 million.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD a list of programs financed under Commodity Credit Corporation borrowing authority. The regular programs are price support, the National Wool Act, the special milk program, the emergency feed program, forest facility loans, bin purchases, and others, as indicated in this list.

Among the special activities handled through the Commodity Credit Corporation are the programs for eradication of foot-and-mouth disease, brucellosis, and others, also outlined in this list.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

LIST OF PROGRAMS FINANCED WITH CCC BORROWING AUTHORITY

REGULAR PROGRAMS

Price support program.
National Wool Act.
Special milk program.
Emergency feed program.
Supply and foreign purchase.
Storage facility loans and bin purchases.
Commodity export.

SPECIAL ACTIVITIES

Loan to Secretary of Agriculture for agricultural conservation purposes.

Advances for eradication of foot-and-mouth disease.

Advances for eradication of brucellosis in cattle.

Advances for cotton classing and tobacco grading.

Transfer of hay and pasture seed to land administering agencies.

International Wheat Agreement.

Commodity grants for emergency assistance to friendly peoples (Public Law 480, title II).

Sales of agricultural commodities for foreign currencies (Public Law 480, title I).

SOIL BANK

Acreage reserve program.
Conservation reserve program.

Mr. ELLENDER. Mr. President, I ask unanimous consent to have printed at this point in the RECORD an exhibit indicating the quantity and value of commodities pledged for outstanding loans, commodities in the price-support inventory as of April 30, 1956, and the total investment of CCC as of April 30, 1955.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Quantity and value of commodities pledged for outstanding loans and commodities in price support inventory as of Apr. 30, 1956 and total investment as of Apr. 30, 1955

[All figures in thousands]

Commodity	Unit of measure	Investment as of Apr. 30, 1956 ¹						Total investment as of Apr. 30, 1955 ¹	
		Pledged for loans		In inventory		Total			
		Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value
Basic commodities:									
Corn	Bushel	420,891	\$651,397	728,357	\$1,275,107	1,149,248	\$1,926,504	876,129	\$1,436,526
Cotton, extra long staple	Bale	11	2,959	72	26,441	83	29,400	100	34,902
Cotton, upland	do	6,298	1,017,017	6,794	1,251,449	13,092	2,268,466	8,383	1,439,272
Peanuts, farmers' stock	Pound	164,578	18,849	20,892	2,440	185,470	21,289	5,136	535
Rice	Hundredweight	4,310	22,584	24,834	209,421	29,144	232,005	16,825	98,434
Tobacco	Pound	886,570	535,310	136	57	886,706	535,367	807,125	405,683
Wheat	Bushel	91,833	189,918	976,407	2,600,933	1,068,240	2,790,851	1,034,524	2,633,135
Wheat flour ²	Pound							7	1
Total basic commodities			2,438,034		5,365,848		7,803,882		6,048,578
Designated nonbasic commodities:									
Honey	Pound	434	46			434	46	100	12
Milk and butterfat:									
Butter	do			74,962	44,059	74,962	44,059	329,433	211,904
Butter oil	do			9,431	7,372	9,431	7,372	7,555	6,969
Cheese	do			286,557	111,437	286,557	111,437	387,549	156,079
Milk, dried	do			178,524	30,034	178,524	30,034	221,867	37,636
Whey	do							60,924	3,563
Tung oil	do			13,286	3,408	13,286	3,408	42,614	10,662
Wool	do			119,903	81,535	119,903	81,535	153,950	102,946
Total designated nonbasic commodities		XXX	46		277,845		277,891		529,776
Other nonbasic commodities:									
Barley	Bushel	47,669	40,723	43,591	51,069	91,260	91,792	93,877	106,617
Beans, dry edible	Hundredweight	1,754	11,220	1,932	15,131	3,686	26,351	3,149	23,080
Cottonseed and products:									
Cotton linters	Pound			310,384	31,413	310,384	31,413	700,121	67,456
Cottonseed meal	do			35	1	35	1	14,577	375
Cottonseed oil	do			11,232	1,735	11,232	1,735	373,923	64,047
Flaxseed	Bushel	1,559	4,498	48	166	1,607	4,664	7,894	24,955
Grain sorghum	Hundredweight	40,715	70,449	22,940	57,532	63,655	127,981	64,524	167,148
Linseed oil	Pound			59,375	8,529	59,375	8,529	80,728	14,005

Footnotes at end of table.

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued July 13, 1956
For actions of July 12, 1956
84th-2nd, No. 118

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HIGHLIGHTS: Senate passed bill to amend Bankhead-Jones Farm Tenant Act. Senate passed Intermediate Credit Banks bill. Senate committee reported area assistance bill. Senate agreed to resolution extending study of employee security program. Senate committee ordered reported water rights settlement bill. House passed supplemental appropriation bill. House Rules Committee cleared Public Law 480 authorization increase bill. Rep. Saylor discussed his bill on wilderness preservation. House committees ordered reported point-of-order bill and flood insurance bill.

HOUSE

1. APPROPRIATIONS. Passed with amendments H. R. 12138, the supplemental appropriation bill for 1957, having previously defeated a motion to recommit by a vote of 370 to 24. pp. 11350, 11355 (For items of interest to this Department, see Digests No. 113 and 114.)

The Agriculture Committee ordered reported H. R. 11682, to authorize certain point-of-order items now carried in USDA appropriation bills relative to the control and eradication of certain animal diseases, to facilitate the carrying out of agricultural conservation and related agricultural programs, to facilitate the agricultural attache program, and to facilitate the operations of FHA, FCIC, and FS. p. D788

2. FOREIGN TRADE. The Rules Committee reported a resolution for consideration of H. R. 11708, to amend the Agricultural Trade Development and Assistance Act of 1954, as amended, (Public Law 480, 83rd Congress), so as to increase from \$1,500,000,000 to \$3,000,000,000 the amount for purposes of title I of the Act, to authorize assistance to American-sponsored schools abroad, and to amend the provision against agreements with communist-dominated countries. p. 11397

Passed as reported H. R. 9396, to amend the Tariff Act of 1930, so as to place guar seed on the free list. p. 11398

3. FLOOD INSURANCE. The Banking and Currency Committee ordered reported S. 3732, to provide insurance against flood damage. p. D789
 4. RECLAMATION. Agreed to the conference report on S. 1622, to authorize the Secretary of the Interior to make payment for certain improvements located on public lands in the Rapid Valley unit, S. Dak., of the Missouri River Basin project. p. 11404
 5. NATURAL RESOURCES. Rep. Saylor spoke in support of his bill H. R. 11703, to establish a National Wilderness Preservation system. p. 11413
 6. PERSONNEL. The Foreign Affairs Committee reported with amendment S. 3481, to increase the salaries and provide other benefits for employees in the Foreign Service (H. Rept. 2696). p. 11424
 7. ATOMIC ENERGY. The Joint Committee on Atomic Energy reported the following bills p. 11424
 - H. R. 9743, with amendment, to encourage maximum development of atomic energy reactors for the generation of low-cost electric power, and the production, utilization, and treatment of special nuclear and other materials (H. Rept. 2694).
 - H. R. 12215, without amendment, to amend the Atomic Energy Act of 1954, as amended (H. Rept. 2695).
- SENATE
8. FARM LOANS. Passed with amendments H. R. 11544, to improve and simplify the credit facilities available to farmers, and to amend the Bankhead-Jones Farm Tenant Act. Agreed to an amendment by Sen. Stennis authorizing insurance on loans in amounts not exceeding \$15,000 per farm for the construction, improvement, repair, or replacement of farm dwellings and other buildings on farms the operation of which requires no more than 3 farm families or 3 farm dwellings. Rejected an amendment by Sen. Humphrey to authorize loans at a "reasonable" rate of interest, rather than not exceeding 5% per annum as provided in the bill. Substituted the language of S. 3429, a similar bill, for the text of the House bill. Conferees were appointed. pp. 11322, 11326
 9. FARM CREDIT. Passed with amendments H. R. 10285, to merge production credit corporations in Federal intermediate credit banks, to provide for retirement of Government capital in Federal intermediate credit banks, and to provide for supervision of production credit associations. Agreed to an amendments by Sen. Barrett providing for the gradual transfer over a 3-year period of the capital funds of the banks involved; and by Sen. Holland to continue Government budgetary supervision over the banks until the farmers had actually bought and paid for 15 percent of the capital stock. p. 11318
 10. LIVESTOCK. Sen. Langer inserted a resolution of the N. Dak. Stockmen's Assoc. relating to various aspects of the livestock industry. p. 11238
 11. AREA ASSISTANCE. The Labor and Public Welfare Committee reported with amendments S. 2663, to establish an effective program to alleviate conditions of excessive unemployment in certain economically depressed areas (S. Rept. 2555). p. 11241
 12. EMPLOYEE SECURITY. Agreed to S. Res. 294, extending further the time for a study of the Government employees security program. p. 11257

Pillion	Saylor	Thomson, Wyo.
Poage	Schenck	Tollefson
Poff	Scherer	Trimble
Polk	Schwengel	Tuck
Powell	Scott	Tumulty
Preston	Scrivner	Udall
Price	Seely-Brown	Vanik
Prouty	Selden	Van Pelt
Quigley	Sheehan	Van Zandt
Rabaut	Shelley	Velde
Radwan	Sheppard	Vinson
Rains	Short	Vorys
Ray	Shuford	Vursell
Reece, Tenn.	Sikes	Wainwright
Reed, N. Y.	Siler	Watts
Rees, Kans.	Simpson, Ill.	Weaver
Reuss	Sisk	Westland
Rhodes, Ariz.	Smith, Kans.	Whitten
Rhodes, Pa.	Smith, Miss.	Widnall
Richards	Smith, Va.	Wier
Riehlman	Smith, Wis.	Wigglesworth
Riley	Spence	Williams, N. J.
Rivers	Springer	Williams, N. Y.
Roberts	Staggers	Willis
Robeson, Va.	Steed	Wilson, Calif.
Robson, Ky.	Sullivan	Willson, Ind.
Rodino	Taber	Winstead
Rogers, Colo.	Talle	Withrow
Rogers, Fla.	Taylor	Wolcott
Rogers, Mass.	Teague, Calif.	Wolverton
Rogers, Tex.	Teague, Tex.	Wright
Rooney	Thomas	Yates
Roosevelt	Thompson,	Young
Rutherford	Mich.	Younger
Sadlak	Thompson, N. J.	Zablocki
St. George	Thompson, Tex.	Zelenko

ANSWERED "PRESENT"—1

Williams, Miss.

NOT VOTING—40

Anfuso	Eberharter	Passman
Avery	Engle	Patman
Barden	Hoffman, Ill.	Priest
Bass, Tenn.	Kelley, Pa.	Scudder
Bell	Keogh	Sieminski
Brooks, Tex.	Klyczynski	Simpson, Pa.
Buckley	Lane	Thompson, La.
Burleson	Lovre	Thornberry
Carnahan	McConnell	Utt
Cretella	Mason	Walter
Davis, Tenn.	Morgan	Wharton
Davis, Wis.	Murray, Tenn.	Wickersham
Dingell	Nelson	
Dolliver	O'Hara, Minn.	

So (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

The Clerk announced the following pairs:

Mr. Engle with Mr. Cretella.
 Mr. Bell with Mr. Dolliver.
 Mr. Dingell with Mr. McConnell.
 Mr. Keogh with Mr. Lovre.
 Mr. Anfuso with Mr. Mason.
 Mr. Buckley with Mr. Nelson.
 Mr. Barden with Mr. Davis of Wisconsin.
 Mr. Carnahan with Mr. Avery.
 Mr. Morgan with Mr. Wharton.
 Mr. Walter with Mr. Utt.
 Mr. Thompson of Louisiana with Mr. Simpson of Pennsylvania.
 Mr. Burleson with Mr. Scudder.
 Mr. Kelley of Pennsylvania with Mr. O'Hara of Minnesota.
 Mr. Priest with Mr. Hoffman of Illinois.

Mr. WILLIAMS of Mississippi. Mr. Speaker, on this rollcall I voted "yea." However, under rule 8, paragraph 1, of the Rules of the House of Representatives I feel constrained to disqualify myself from voting and I therefore withdraw my vote of "yea" and vote "present."

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

ATOMIC ENERGY ACT

Mr. DELANEY, from the Committee on Rules, reported the following privileged

resolution (H. Res. 589, Rept. No. 2700), which was referred to the House Calendar and ordered to be printed:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 11709) to amend Public Law 506, 84th Congress, 2d session, to increase the authorization for appropriations to the Atomic Energy Commission for acquisition or condemnation of real property or any facilities, or for plant or facility acquisition, construction, or expansion, and for other purposes. After general debate, which shall be confined to the bill, and shall continue not to exceed 1 hour, to be equally divided and controlled by the vice chairman and ranking House minority member of the Joint Committee on Atomic Energy, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

AGRICULTURAL TRADE DEVELOPMENT AND ASSISTANCE ACT

Mr. TRIMBLE, from the Committee on Rules, reported the following privileged resolution (H. Res. 590, Rept. No. 2701), which was referred to the House Calendar and ordered to be printed:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 11708) to amend the Agricultural Trade Development and Assistance Act of 1954, as amended, so as to increase the amount authorized to be appropriated for purposes of title I of the act, and for other purposes. After general debate, which shall be confined to the bill, and shall continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Agriculture, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

METAL SCRAP

Mr. COOPER. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 8636) to continue until the close of June 30, 1957, the suspension of duties and import taxes on metal scrap, and for other purposes, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 1, line 9, after "scrap", insert "or to any form of tungsten scrap, tungsten carbide scrap, or tungsten alloy scrap."

Page 1, line 10, after "alloy", insert "or to articles of tungsten, tungsten carbide, or tungsten alloy."

Page 2, after line 4, insert:

"Sec. 3. Paragraph 1734 of the Tariff Act of 1930, as amended (U. S. Code, title 19, sec. 1201, par. 1734), is hereby amended to read as follows:

"PAR. 1734. Ores of gold, silver, or nickel; nickel-containing material in powder, slurry, or any other form, derived from ore by chemical, physical, or any other means, and requiring further processing for the recovery therefrom of nickel or other metals; nickel matte; nickel oxide; ores of the platinum metals; sweepings of gold and silver."

Page 2, after line 4, insert:

"Sec. 4. Subsection (b) of section 2 (relating to the free importation of book bindings or covers) of the act of August 28, 1954 (Public Law 694, 83d Cong.), is amended by striking out 'September 1, 1956' and inserting in lieu thereof 'September 1, 1958'."

Page 2, after line 4, insert:

"Sec. 5. Notwithstanding the provisions of section 4 of the act of February 21, 1950 (64 Stat. 6), the provisions of section 2901 of the Internal Revenue Code of 1939 as amended by such act shall be applicable to distilled spirits which were lost by theft from customs bonded warehouse after January 1, 1945, and with respect to which taxes have not been assessed under a liquidation which has become final on or before the date of enactment of this act, if a conviction on account of such theft has been obtained in a court of competent jurisdiction."

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

(Mr. COOPER asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. COOPER. Mr. Speaker, the House bill continued the suspension of these duties, with certain exceptions, for another year. The Senate amendments are as follows:

Tungsten scrap in any form would be excepted from the suspension.

Free entry of nickel containing material in powder, slurry, or any other form, derived from or by chemical, physical, or other means, would be allowed.

The present suspension of the duties on certain bookbindings or covers would be continued for another 2 years.

Another Senate amendment provides for abatement of taxes on spirits stolen from customs bond after January 1, 1945, where proof of loss is indicated by a conviction in the case.

Mr. Speaker, I urge the House to accept the Senate amendments.

(Mr. REED of New York asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. REED of New York. Mr. Speaker, the Senate amendments to H. R. 8636 have already been explained in full detail.

As Chairman COOPER stated, these amendments would provide that tungsten scrap in any form would not be subject to the continuing suspension of duties under the bill; there would be permitted the free entry of nickel containing material in various forms, whether derived by physical or chemical means; a present suspension of duties on certain bookbindings or covers would be continued

for another 2 years; and there would be provision for abatement of taxes in the case of spirits stolen from customs bond where proof of loss is shown by a conviction in the case. The latter amendment was the subject of a bill introduced by my able and distinguished colleague, Representative SIMPSON of Pennsylvania.

Mr. Speaker, I join in urging the House to accept the Senate amendments.

LATHES USED FOR SHOE-LAST ROUGHING

Mr. COOPER. Mr. Speaker, by direction of the Committee on Ways and Means, I ask unanimous consent for the immediate consideration of the bill (H. R. 10177) to provide that certain lathes used for shoe-last roughing or for shoe-last finishing may be imported into the United States free of duty, which was unanimously reported by the Committee on Ways and Means.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That paragraph 1643 of the Tariff Act of 1930 is amended by inserting immediately after "shoe machinery," the following: "copying lathes used for making rough or finished shoe lasts from models of shoe lasts and, in addition, capable of producing more than one size shoe last from a single size model of a shoe last,".

SEC. 2. The amendment made by this act shall apply only in the case of articles entered for consumption, or withdrawn from warehouse for consumption, on or after the date of enactment of this act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

(Mr. COOPER asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. COOPER. Mr. Speaker, the purpose of H. R. 10177 is to amend paragraph 1643 of the Free List of the Tariff Act of 1930, as amended, by including therein copying lathes used for making rough or finished shoe lasts from models of shoe lasts and, in addition, capable of producing more than one size shoe last from a single-size model of a shoe last.

Copying lathes for making shoe lasts of the type described in H. R. 10177 are expensive and specialized types of machinery. This machinery has an important relationship to the shoe manufacturing industry. Presently, there are some 400 turning lathes in use, many of which were made 20 or 30 years ago.

The type lathes described in the bill are not now being made in the United States, and are available only from foreign sources.

Removal of the duty on these lathes would benefit both the domestic shoe last manufacturing industry and the consumer. Only a small number of such lathes would be imported and the revenue loss to the Government would be negligible.

All departmental reports received on the bill were favorable.

The bill was unanimously reported by the Ways and Means Committee.

(Mr. REED of New York asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. REED of New York. Mr. Speaker, this bill which I introduced amends paragraph 1643 of the Free List of the Tariff Act of 1930, as amended, by including therein copying lathes used for making rough or finished shoe lasts from models of shoe lasts and, in addition, capable of producing more than one size shoe last from a single size model of a shoe last.

This machinery is important to the shoe-manufacturing industry. Copying lathes for making shoe lasts of the type described in H. R. 10177 are expensive and specialized types of machinery. Our information is that there are some 400 turning lathes in use, many of which were made 20 or 30 years ago.

The type lathes covered by this legislation are not now being made in the United States, and are available only from foreign sources.

My bill will benefit both the domestic shoe last manufacturing industry and the consumer. Only a small number of such lathes would be imported and the revenue loss to the Government would be negligible.

All departmental reports received on the bill were favorable.

My bill was unanimously reported by the Ways and Means Committee.

TRANSFER OF GUAR SEED TO FREE LIST

Mr. COOPER. Mr. Speaker, by direction of the Committee on Ways and Means, I ask unanimous consent for the immediate consideration of the bill (H. R. 9396) to amend the Tariff Act of 1930 to place guar seed on the free list, which was unanimously reported by the Committee on Ways and Means.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

Mr. BAILEY. Mr. Speaker, reserving the right to object, will the gentleman from Tennessee explain the intent of the legislation?

Mr. COOPER. The intent is just what it says, to put guar seed on the free list. It is a product not produced in this country and needed by industry to make gum.

Mr. BAILEY. Mr. Speaker, I thank the gentleman and withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That section 201 of the Tariff Act of 1930 is amended by adding at the end thereof the following new paragraph:

"PAR. 1819. Guar seed."

With the following committee amendment:

On page 1, strike out line 5 and insert the following:

"PAR. 1820. Guar seed (Cyamopsis tetragonoloba)."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

(Mr. COOPER asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. COOPER. Mr. Speaker, the purpose of H. R. 9396 is to transfer guar seed from the dutiable list to the free list under the Tariff Act of 1930, as amended.

Guar seed is used to produce a gum which is utilized by the paper, food, pharmaceutical, and other industries. Attempts to produce this seed in this country have met with little or no success. Production in this country has been on an experimental basis, and has remained limited and primarily as a soil conditioning crop. Commercial imports come principally from India and Pakistan. The present rate of duty is 1 cent per pound. The purpose of this bill is to remove that duty.

Favorable reports on H. R. 9396 were received from the Departments of Agriculture, Commerce, State, and Treasury.

The bill was reported unanimously by the Committee on Ways and Means.

(Mr. REED of New York asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. REED of New York. Mr. Speaker, H. R. 9396, which transfers guar seed to the free list under the Tariff Act of 1930, as amended, was introduced by my colleague on the Committee on Ways and Means, the gentleman from Rhode Island [Mr. FORAND].

Guar seed is classified for duty purposes under the provision of paragraph 763 of the Tariff Act of 1930 relating to "all grass and forage crop seeds not specifically provided for." Provision was made in that act for an original rate of 2 cents per pound for such seeds. Pursuant to a concession granted by the United States in GATT, the rate of duty on seeds was reduced to 1 cent per pound, effective January 1, 1948.

The committee has received favorable reports from all the agencies concerned, and the bill was reported unanimously.

AUTHORIZING THE COMMISSIONING OF DOCTORS OF OSTEOPATHY IN THE ARMED SERVICES

Mr. VINSON submitted the following conference report and statement on the bill (H. R. 483) to amend the Army-Navy-Public Health Service Medical Officer Procurement Act of 1947, as amended, so as to provide for appointment of doctors of osteopathy in the Medical Corps of the Army and Navy:

CONFERENCE REPORT (H. REPT. NO. 2702)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 483) to amend the Army-Navy-Public Health Service Medical Officer Procurement Act of 1947, as amended, so as to provide for appointment of doctors of osteopathy in the Medical Corps of the Army and Navy, having

CONSIDERATION OF H. R. 11708

JULY 12, 1956.—Referred to the House Calendar and ordered to be printed

Mr. TRIMBLE, from the Committee on Rules, submitted the following

R E P O R T

[To accompany H. Res. 590]

The Committee on Rules, having had under consideration House Resolution 590, report the same to the House with the recommendation that the resolution do pass.



House Calendar No. 285

84TH CONGRESS
2D SESSION

H. RES. 590

[Report No. 2701]

IN THE HOUSE OF REPRESENTATIVES

JULY 12, 1956

Mr. TRIMBLE, from the Committee on Rules, reported the following resolution;
which was referred to the House Calendar and ordered to be printed

RESOLUTION

1 *Resolved*, That upon the adoption of this resolution it
2 shall be in order to move that the House resolve itself into
3 the Committee of the Whole House on the State of the
4 Union for the consideration of the bill (H. R. 11708) to
5 amend the Agricultural Trade Development and Assistance
6 Act of 1954, as amended, so as to increase the amount
7 authorized to be appropriated for purposes of title I of the
8 Act, and for other purposes. After general debate, which
9 shall be confined to the bill, and shall continue not to ex-
10 ceed one hour, to be equally divided and controlled by the
11 chairman and ranking minority member of the Committee
12 on Agriculture, the bill shall be read for amendment under

1 the five-minute rule. At the conclusion of the considera-
 2 tion of the bill for amendment, the Committee shall rise and
 3 report the bill to the House with such amendments as may
 4 have been adopted, and the previous question shall be con-
 5 sidered as ordered on the bill and amendments thereto to
 6 final passage without intervening motion except one motion
 7 to recommit.

House Calendar No. 285

84TH CONGRESS
2D SESSION

H. RES. 590

[Report No. 2701]

RESOLUTION

Providing for the consideration of H. R. 11708,
 a bill to amend the Agricultural Trade De-
 velopment and Assistance Act of 1954, as
 amended, so as to increase the amount au-
 thorized to be appropriated for purposes of
 title I of the Act, and for other purposes.

By Mr. TRIMBLE

JULY 12, 1956

Referred to the House Calendar and ordered to be
 printed

July 18, 1956

14. ELECTRIFICATION. Began debate on S. 1333, providing for the construction, operation, and maintenance of the Hells Canyon Dam (p. 12216). Several Senators discussed and inserted material relative to the construction of the dam (pp. 12053, 12123, 12131, 12132, and 12197).
15. ATOMIC ENERGY. Passed without amendment S. 4203, to amend the Atomic Energy Act of 1954. p. 12062
16. FOREIGN TRADE. Passed with amendments H. R. 6040, to amend certain administrative provisions of the Tariff Act of 1930 and to repeal obsolete provisions of the customs laws. Conferees were appointed. pp. 12062, 12064, 12097, 12101
17. HOOVER COMMISSION. Sen. Kennedy commended the progress made by the Government Operations Committee in clearing legislation for implement^{ing} the reports of the Hoover Commission, inserted a list of bills upon which action had been taken, and expressed hope other reports would be acted on during the next session of Congress. p. 12099
18. COTTON. Passed with amendment S. Res. 236, urging immediate consideration of the impact of imports of textiles and other products upon the domestic market and directing the Tariff Commission to expedite escape clause investigations and to give them priority wherever practicable. As agreed to the Resolution provides that it is the sense of the Senate that the President should give immediate consideration to the impact of imports of textiles and textile products on the cotton industry, with a view to determining whether the authority granted to him under section 22 of the Agricultural Adjustment Act, as amended, section 204 of the Agricultural Act of 1956, the Trade Agreements Extension Act of 1951, as amended, section 350 of the Tariff Act of 1930, as amended, or other law, should be exercised with respect to imports of any textiles or textile products. pp. 12110, 12121
19. LEGISLATIVE PROGRAM. Sen. Johnson announced that the watershed bill and the executive pay bill will be taken up as soon as possible. p. 12063
20. APPROPRIATIONS. Agreed to limitation of debate on the mutual security appropriation bill when it comes up for consideration, possibly this week. p. 12096
21. AREA ASSISTANCE. S. 2663, as reported (see Digest 118), to establish a program to alleviate conditions of substantial and persistent unemployment and underemployment in certain economically depressed areas, provides for establishment of an Area Redevelopment Administration within the executive branch under an Administrator; the establishment of a Government Advisory Committee on Area Redevelopment composed of certain heads of departments and agencies, including the Secretary of Agriculture; the appointment of a National Public Advisory Committee on Area Redevelopment composed of representatives of labor, management, agriculture, and the general public; the designation by the Administrator of "industrial redevelopment areas" and "rural redevelopment areas" in accordance with certain criteria; the conduct of special studies by the USDA upon request of the Administrator; and the issuance by the Administrator, with the approval of the President, of notes and obligations for purchase by the Secretary of the Treasury in an amount not to exceed \$25,000,000 to obtain funds for loans in carrying out redevelopment activities provided for in the bill. The committee report discusses the need for further development of underdeveloped rural areas and reviews the progress of this Department in this general area of activity.

July 18, 1950

HOUSE

22. FOREIGN TRADE. Passed with amendment S. 3903, to amend the Agricultural Trade Development and Assistance Act of 1954, as amended, so as to increase from \$1,500,000,000 to \$3,000,000,000 the amount for purposes of title I of the Act. The amendment to S. 3903 consisted of the insertion of the language of H. R. 11708, a similar bill, as amended and passed by the House. A provision of H. R. 11708 to authorize assistance to American-sponsored schools abroad was deleted by a point of order against it raised by Rep. Curtis, and a provision to authorize certain barter arrangements with communist-dominated countries was nullified by an amendment by Rep. Dodd prohibiting such barter arrangements by a vote of 92 to 62. The House also adopted amendments to provide that commodities disposed of under the Act must be in addition to sales of such commodities through normal world trade (by Rep. Whitten); to provide that fresh and frozen fruit be exempt from the provisions of cargo preference laws (by Reps. Mathews and Roosevelt); and to provide that the CCC shall make available to the President, for certain relief purposes, food in storage when certain urgent or extraordinary conditions exist (by Rep. Cooley). The bill, H. R. 11708, as amended, passed by a vote of 389 to 6. p. 12147

23. COMMODITY CREDIT CORPORATION. Received the conference report on S. 3820, to increase the borrowing authority of the CCC from \$12 billion to \$14.5 billion, make it a Federal offense to willfully steal or convert property mortgaged to a lending agency under a CCC program, and provide that offenses under the Act involving amounts of \$500 or less be reduced from a felony to a misdemeanor (H. Rept. 2772). p. 12174

24. AGRICULTURE COMMITTEE Reported the following bills: p. 12195

S. 1079, with amendment, to authorize the Secretary of Agriculture to sell at not less than the appraised value, and under such terms and conditions as he deems appropriate, lands in the national forests which are isolated parcels or narrow projecting strips, when he finds such lands suitable for private ownership and better adapted to commercial, agricultural, residential, or private purposes other than to national forest purposes (H. Rept. 2791).

S. 2216, without amendment, to amend the Act of March 4, 1915, to permit the use and occupancy of national forest lands for industrial and commercial purposes, and by States or political subdivisions for constructing facilities for education or other public uses (H. Rept. 2792).

H. R. 5275, with amendment, to authorize FCIC to provide reinsurance on any crop or plantation insurance provided in Puerto Rico by a duly-authorized agency of the Commonwealth of Puerto Rico (H. Rept. 2794).

H. R. 11958, without amendment, to amend the acreage reserve provisions of the Soil Bank Act to permit inclusion of certain drought damaged acreage up to 30 days prior to harvest (H. Rept. 2795).

25. PERSONNEL. The Post Office and Civil Service Committee ordered reported (but did not actually report) S. 2875, to revise the Civil Service Retirement Act. The "Daily Digest" states that "as amended the major provisions of the House Committee approved bill are: 1. Maintain employee deductions at 6 percent and increase Members of Congress deductions to 7 percent; 2. provide annuity formula of 1 percent plus \$30 or 1 3/4 percent, whichever is the greater; 3. right to elect a survivorship annuity with the employee's annuity being reduced 3 percent on the first \$2,400 and 10 percent in excess of \$2,400; 4. retain the present right to retire at age 55 with 30 years of service;

Corporation and amounts due thereon or in connection therewith, are hereby transferred to the Civil Aeronautics Administration, together with all the functions, rights, powers, and records of the Reconstruction Finance Corporation relating to the said bonds. All receipts and recoveries hereafter with respect to said bonds shall be covered into the Treasury as miscellaneous receipts.

"Sec. 2. In the settlement of its accounts the Reconstruction Finance Corporation shall receive full credit for the said bonds and all amounts due thereon or in connection therewith."

In the committee of the conference it was agreed that the House would recede from its amendment.

E. L. FORRESTER,
HAROLD D. DONOHUE,
WILLIAM E. MILLER,

Managers on the Part of the House.

(Mr. ASHLEY asked and was given permission to extend his remarks at this point.)

[Mr. ASHLEY'S remarks will appear hereafter in the Appendix.]

COMMITTEE ON INTERIOR AND INSULAR AFFAIRS

Mr. ENGLE. Mr. Speaker, I ask unanimous consent that the House Committee on Interior and Insular Affairs may have until midnight tonight to file reports on several bills favorably reported to the House today.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

DO NOT PERMIT OUR NATIONAL BANKING SYSTEM TO BE DE- STROYED

(Mr. MULTER asked and was given permission to extend his remarks at this point.)

Mr. MULTER. Mr. Speaker, a bill, S. 256, is presently being considered by the House Banking and Currency Committee. No counterpart of that bill was ever introduced in the House. It passed the Senate in June of 1955.

In the dying days of this session it is called up for hearing before the House Banking and Currency Committee where a determined effort will be made to report it out and then to pass it on the floor.

It is a very short bill and would appear to be quite innocuous. Actually, the purpose and intent of the bill is to prevent minority representation of stockholders on national bank boards of directors. The enactment of the bill of and in itself, without any further action, would destroy such right of minority representation by stockholders. It could well mark the destruction of our national banking system.

I take this means of alerting the membership of the House to the fact that this is a bad bill, and it should not be rushed through in the dying days of this session of Congress. If there is anything good about the bill it can wait for enactment until next year when it can be fully and thoroughly debated and its merits or demerits exposed.

If majority stockholders and directors need any protection against minorities

within their banking institutions, they should frankly come forward and make out a case. I know that the Congress will not hesitate to give them the fullest protection that they may need. They do not need this bill and it is against their own best interests.

CORRECTION OF THE RECORD

Mr. KEATING. Mr. Speaker, at page 10755, line 61, the second column of the RECORD of July 5, I am recorded as having used the word "devised."

I ask unanimous consent, Mr. Speaker, to correct the RECORD to use the word, which I did use, "revised."

The SPEAKER. Without objection, the correction will be made.

There was no objection.

EXPLANATION OF VOTE

Mr. GAVIN. Mr. Speaker, I was unavoidably detained during the rollcall on House Resolution 265, rollcall No. 103, against the admission of Red China to the United Nations. Of course I have vigorously opposed the admission of Red China in the past, that my position hardly needs reiteration by me.

Let me again make it crystal clear that I am vigorously against the admission of these nefarious Reds to the society of free nations, and will continue militantly to resist all such proposals. Had I been present, I would have voted "yea."

CALNDAR WEDNESDAY

The SPEAKER. This is Calendar Wednesday. The Clerk will call the committees.

AGRICULTURAL TRADE DEVELOP- MENT AND ASSISTANCE ACT OF 1954

Mr. COOLEY (when the Committee on Agriculture was called). Mr. Speaker, I call up the bill (H. R. 11708) to amend the Agricultural Trade Development and Assistance Act of 1954, as amended, so as to increase the amount authorized to be appropriated for purposes of title I of the act, and for other purposes.

The Clerk read the title of the bill.

The SPEAKER. This bill is on the Union Calendar. The House automatically resolves itself into the Committee of the Whole House on the State of the Union.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 11708, with Mr. PRESTON in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule, the general debate will be limited to 2 hours.

Mr. HOPE. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. HOPE. I would like to inquire of the Chair how much time is allowed for general debate.

The CHAIRMAN. The Chair was about to state that the time will be equally divided between the gentleman from North Carolina and the gentleman from Kansas; each will have 1 hour.

Mr. COOLEY. Mr. Chairman, I yield myself 15 minutes.

The CHAIRMAN. The gentleman from North Carolina is recognized.

Mr. COOLEY. Mr. Chairman, this bill is of great importance. I think the purpose of the bill is very well understood, but I do want to make a few brief remarks concerning its provisions. I know you will recall that we first authorized the expenditure of \$750 million in section 48 to be used for the purpose of disposing of surplus agricultural commodities. Very soon the \$750 million had been obligated and used, and at a later date we increased that authorization from \$750 million to \$1,500,000,000. That authorization has now been reached and exceeded, and the Department is without authority to proceed further and to consummate many important transactions which are now pending.

In this bill we increase the authorization from \$1,500,000,000 to \$3 billion. My recollection is that there was no objection to this section of the bill in the committee, and I hope and assume there will be no objection to this particular section of the bill here in the House today.

In addition to that increase in authorization we put in another provision which authorizes barter transactions with the satellite nations, but it excludes barter transactions with Russia, with Red China, and North Korea.

In bringing this provision before the House I think I should tell the House that when the President, in his message of January 9, listed the repeal of section 304 as one of the nine points in his agricultural program, our committee was not particularly impressed with that recommendation, because it was too broad and comprehensive and we figured perhaps too dangerous.

At a later date we did decide to modify the section so as to authorize barter transactions with satellite nations. We had a communication from the Secretary of Agriculture favoring the President's recommendation for an outright repeal of the section, and I am certain the Department of Agriculture is in favor of the provision now written into the bill.

We then had Secretary of State Dulles testify in executive session. At that meeting he urged the approval of the section that we now have in the bill.

At my request Mr. Dulles wrote a letter to me, which appears in the report, in which he points out the desirability of having this authority which is contained in this section.

Mr. DODD. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Connecticut.

Mr. DODD. I would like to ask this question: As I understand the gentleman, this bill which is before us will permit the Secretary to barter agricultural commodities with satellite nations.

Mr. COOLEY. That is right.

Mr. DODD. But does the gentleman think this is wise in view of the world situation? Would it not be far better for us to give them these commodities so they could be distributed among the people by the International Red Cross or some such organization, so that those who need this food would get it and know it comes from the free world? It seems ridiculous to be entering into trade with the satellite nations, particularly at this time. It is more than ridiculous, it is insane.

Mr. COOLEY. The reason that the President's recommendation for the repeal of this section did not appeal to me was the fact that I am not in accord with the suggestion for the reason that it is not the policy of our Government, nor is it the policy of our people, to carry on commerce with communism. For that reason that suggestion was not seriously considered in our committee. The explanation offered by Mr. Dulles is in a very brief communication addressed to the chairman of the committee and appears in the report.

Under existing law the Congress has already given authority to do what the gentleman suggests might be desirable. That is, to give surplus food to the satellite people or to friendly people behind the Iron Curtain. You will recall that after the recent revolution in Poland, when the people were calling for food and freedom, our Government immediately offered to give the people of Poland food. The Polish Government refused to accept the food, saying they were not prepared to accept charity and alms at the hands of the American people.

Mr. DODD. That is precisely my point. I think we should offer to give them food but it is a mistake, I suggest, to barter or trade with them so they will have food and make it appear they are successfully operating their economy in these captive countries and make profit at our expense.

The CHAIRMAN. The time of the gentleman from North Carolina has expired.

Mr. COOLEY. Mr. Chairman, I yield myself 5 additional minutes.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Minnesota.

Mr. JUDD. I have read very carefully the letter on page 10 of the committee report from the Secretary of State in which he says:

The suggestions we make do not relate to trade with the Soviet Union itself nor do they relate to the establishment of a normal pattern of trade with the Soviet satellites which might serve either to strengthen the war potential of the Soviet bloc or to entrench the present order in relation to the satellite countries.

That would be a good trick if one could figure out how it can be done. Maybe the Secretary of State explained what he had in mind to the committee. But I should like to ask the gentleman these questions. How can you carry on barter with Poland, for example, except through the Government of Poland? And if the Polish people get food through the exist-

ing Communist government, does that not strengthen that government?

Mr. COOLEY. May I say to the gentleman I do not like the idea, either, but in executive session there was a discussion of this important subject behind closed doors. It is for that reason I asked the Secretary to put that statement in writing so that the Members of the House would clearly know it was not contemplated we would carry on commerce with communism or that we would do anything to strengthen the war potential of either the satellites or the Soviet Republic.

Mr. JUDD. I realize the gentleman is now in the position that we so often are in when we come before the House from the Committee on Foreign Affairs. We have been given an explanation in private that convinces us, but we cannot reveal it publicly to the House. Was the gentleman convinced by the explanation given to his committee in executive session that there are means and methods by which we can carry on the barter that would get food into Poland and yet would not strengthen the existing government?

Mr. COOLEY. I think we must know that once food is delivered to Poland we will, to all practical purposes, lose complete control over final disposition and consumption of that food. It is anticipated or contemplated that in the exchange for these vital foods, which we understand there is great need for now in Poland, we are to receive something of strategic importance to us. Frankly I say to the gentleman, I do not anticipate that much trading will be done. In the first place, Poland says her people are not hungry. The free world knows that statement is not true. People do not revolt and say they want food and freedom, then stand before firing squads to be shot to death or murdered unless there is some truth in the assertion that there is a vital need for food. We can offer to meet the Polish proposal. The Poles say: "We are ready to barter with you. We do not want your charity." Here is the answer to it: "Yes; we will barter with you if it is necessary to get the food in the mouths of the hungry people of Poland."

Mr. JUDD. And once more we would be demonstrating to the whole world that whatever the Communists lay down as the terms, Uncle Sam agrees to. They call the tune; we dance to it. Why should we not, rather, let the Communists stand exposed before the world as the diabolically cruel men they are, preferring to let their own people die rather than receive food from the people of the United States?

Are we against these Communist despots or are we for them? We denounce them, then we help them solve their food problems. How can other countries, looking to us for steadfast leadership, know what to count on?

Mr. COOLEY. I might as the gentleman the same question. Why should this great republic of ours, with our warehouses bulging with vital food that will sustain life, refuse to barter with these people in Poland and save the lives

of hungry people who are now being sent before the firing squad?

Mr. JUDD. What makes you believe any of it will go to the hungry people? Or, at least, unless the people abandon their resistance?

The same thing was true when we sent food into Yugoslavia under Tito. In order to get food the people had to sign up with his agents, join the party, or they did not, they starved.

Mr. COOLEY. I do not know that it will go to the hungry people, but I do know that the Federal Government, with all this vital food, can at least meet the terms, and we could probably offer them such good barter transactions that Russia would refuse to permit them to be consummated, and then the hungry can blame the Communist regime for refusing the food we offer to them.

Mr. RABAUT. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Michigan.

Mr. RABAUT. When we gave wheat to Yugoslavia, when they were so badly in need of food, we designated at that time Americans who would supervise the distribution of that food. If you have no supervision over the distribution of this food, you or no one else knows that the food will get to the proper place; that those in need are ever going to get it. It might be put in their warehouses and bolster their economy to the further detriment of the very people we are trying to feed. I am favorable to your idea that we want to help them. That is fine, but we have no assurance that we are going to help them.

Mr. COOLEY. Let me call my friend's attention to the fact that we are not giving them the vital food. We are bartering it with them, and when they give us some of these strategic materials that we will call upon them to give us, we will strengthen our own war potential and we will weaken theirs to that extent. I certainly do not want to carry on any commerce with communism any more than does the gentleman from Michigan.

Mr. RABAUT. I am not trying to embarrass my friend.

Mr. COOLEY. I understand.

Mr. RABAUT. I know he is trying to do a job, but I am saying what we did with Yugoslavia. We insisted that we supervise the distribution of that food.

Mr. COOLEY. Do not bring up Yugoslavia, because I can argue with the gentleman for 2 days about that. We have not exacted one promise from Mr. Tito, and that is the reason I am against giving him money.

Mr. RABAUT. I am talking about the time we distributed food there. We do know that Americans supervised the distribution of that food.

Mr. COOLEY. Maybe in negotiating these barter transactions a provision will be inserted in the document which will require Government supervision to the ultimate consumer.

Mr. RABAUT. It was not Tito we gave it to, but to the hungry people.

Mr. COOLEY. We are now giving food to the escapees and refugees from East Germany. We do not want to cut them off.

Mr. RABAUT. Would they agree to supervision?

Mr. COOLEY. I do not know, but I know that the State Department will supervise the agreement and certainly put that in the contract as one of the provisions.

Mr. RABAUT. It looks as if we are giving up to their dictation.

Mr. COOLEY. Suppose you visualize the hungry Poles who say "You promised you would give it to us, but your fascist government would not permit us to accept it, because you refused to barter with us."

Mr. HOFFMAN of Michigan. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Michigan.

Mr. HOFFMAN from Michigan. If we follow the advice or the policy of the gentleman from Minnesota, as just suggested, then are we not being put in a position of causing these people to starve to death instead of the Communists?

Mr. COOLEY. That is what I am afraid the interpretation will be over there. Let me say this to my friend from Minnesota. Why is it more vicious to barter with them and get something in exchange and put it into our own arsenal here than to give it to them? The gentleman is perfectly willing to give it to them.

Mr. JUDD. Certainly, I would give it to them when it is distributed by the Red Cross, for example, and goes to the people. But I would not give it if it meant giving it to the Communist government to distribute as a weapon in breaking the will of the people. They are proving that freedom is more important to them than food. People who are revolting to gain their freedom will be tempted to ask, "What is the use of our revolting against a government which the great powerful United States recognizes, deals with as an equal, and builds up?"

Once we announce we are willing to barter with the governments, we are giving them enormous prestige and strengthening them.

Well, do we want to win this cold war, or do we want to lose it?

Mr. COOLEY. I do not want to emphasize the President's views, and I do not want to emphasize unduly the views of the Secretary of State. I remind the gentleman of the fact that his President, Mr. Eisenhower, on January 9, in a message read from this rostrum advocated the outright repeal of the provision, and his Secretary of Agriculture and his Secretary of State urged the adoption of this provision.

Mr. JUDD. I will say on that point that when Mr. Acheson was Secretary of State, he advocated a similar proposal with respect to Yugoslavia and other satellites. As a matter of principle I resisted it then under his leadership; and as a matter of principle I must resist it equally under the present leadership of my own party. Because I believe the

net result will be that you will not get food to the people who need it, but instead you will greatly enhance the influence and power of the government that is oppressing the people. That was what happened then, as we feared. Will it not be certain to happen now?

Mr. COOLEY. Why not let us try one barter transaction? I am willing, and the Democrats are willing, to trust your own Cabinet officers to negotiate these contracts. Why not let us try one barter transaction and then see whether or not the food goes to the people who are in need?

Mr. JUDD. It is not a matter of trusting one administration or another. The real issue for us is what we do right here in the House of Representatives today, not what our officials do after awhile. The passage of this bill would recognize and give respectability to the tyrants whom we are trying with our whole mutual security program to overthrow. It is not what the administration may be able to do or not able to do after we pass this bill. It is the passage of this bill which would do the damage.

Mrs. KELLY of New York. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from New York.

Mrs. KELLY of New York. On page 9 of this report, in the committee's explanation of section 304 it says:

The section has also been interpreted to prohibit barter of surplus commodities with any such countries and even cash sales for dollars at the world price, although neither barter nor cash sales depend upon this act for their basic authority, and although it is by no means clear that such was the intent of Congress when the law was enacted.

Can the gentleman explain to me what basic authority and what public law gives the Secretary of Agriculture or the Secretary of State the right at this moment without this bill to barter with the satellite nations? And if that be the case, why need this new section in the law?

Mr. COOLEY. Mr. Chairman, may I say to my friend that the barter authority is in the law, in section 480, except with regard to the Soviets and their satellites.

Mrs. KELLY of New York. That is just the point. I want to assist the people of the satellite nations but I do not want to assist the Communist regime which keeps them in slavery.

Mr. COOLEY. This would modify or change that provision so as to permit barter transaction with the satellites but preclude barter transactions with Soviet Russia, North Korea, and Red China.

Mrs. KELLY of New York. Mr. Chairman, it was my amendment to the original law, Public Law 480, concerning friendly nations which I had in mind; and in that basic law in section 107, on page 3 it says:

As used in this act "friendly nations" means any country other than (1) the U. S. S. R. or (2) any nation or area dominated or controlled by a foreign government or foreign organizations controlled by the world Communist movement.

That was to prevent the sale or barter to satellite nations. This is clear.

The gentleman must be referring to some other law.

Mr. COOLEY. No, it does mean that; that is the prohibition that is being modified by this provision in the bill.

Mrs. KELLY of New York. Then why was that written into the report—"although neither barter nor cash sales depend upon this act"?

Mr. COOLEY. I shall answer that by saying that this does not authorize cash sales to the satellites. It does not authorize sales to the satellites for foreign currencies. It only authorizes barter transactions for strategic materials. We can sell to all the other countries in the world for foreign currencies. We can sell for dollars. We can give away the surplus commodities. Under existing law we can do the same thing with all the countries of the world, as I have just enumerated, except with the satellites and the Soviets.

Mrs. KELLY of New York. This amendment to section 304, and I might add it is very poorly written—permits barter with the Communist regime. There is no guaranty that the agricultural surplus would reach the people of those countries.

Mr. COOLEY. I agree with the lady; the language is very awkward.

Mrs. KELLY of New York. The language is not understandable. May I ask the gentleman, was that the language of the administration?

Mr. COOLEY. I think the language was prepared by the Department of State at our request.

Mrs. KELLY of New York. I want to go on record as saying that it was certainly written to confuse and not to state the real facts, because it could have been written very clearly, that we can barter with the satellite nations, instead of this confusing language.

Mr. POAGE. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Texas.

Mr. POAGE. May I ask in connection with the question which has been asked the gentleman so frequently as to how we would know that this food would go to hungry people. Who, other than hungry people, no matter where they may be in the world, no matter what their economic status may be, ever eats food?

Mr. COOLEY. I assume if they were hungry and if they had an opportunity to have this food they would eat it.

Mr. POAGE. Is it not perfectly obvious that if you were selling lumber, washing machines, or radios, that would not be true, but when you sell food none but hungry people are ever going to eat it?

Mr. COOLEY. I think the gentleman is correct, but the gentleman from Minnesota is fearful the food will be placed in a warehouse and not be made available to the hungry people.

Mr. JUDD. Of course, it will be put in the warehouses or distributed to the faithful, and the hungry people will not get it unless they bow down and give their allegiance to the Communists.

Mr. COOLEY. Suppose the hungry people of Poland are crying for food, and there is no food? Suppose we fill up the warehouses, and they know it is there?

They will probably tear down the warehouses and go in and get the food.

Mr. JUDD. I am afraid the gentleman is not very familiar with life under a Communist police state.

Mr. SHORT. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Missouri.

Mr. SHORT. I am sure the able gentleman from North Carolina does not want to sharpen the razor of any potential enemy to cut our own throat. He is performing yeoman service here. I think his heart is in this thing about as much as mine is. But the whole trouble is, as the gentleman from Minnesota has distinctly pointed out, that so much of this relief and foreign aid has gone down the drain and fallen into the hands of governments, not the people, but governments, to distribute to their own advantage. The people themselves do not know where it is coming from.

Mr. COOLEY. May I say to my friend that if we feel that way about it we should repeal the authority to give this food to the hungry people. The only thing we are talking about here is whether we are going to give it to them.

Mr. SHORT. Who gives it? Do we give it to the hungry people, or do we give it to the governments, and they distribute it to their own advantage?

Mr. COOLEY. It all depends on the American people.

Mr. SHORT. How many people in Poland or any other country in Europe know where it comes from?

Mr. COOLEY. I do not know about that.

Mr. SHORT. We sent thousands of tons of wheat to India, and you know what we have gotten in gratitude.

Mr. POAGE. If the gentleman will yield further, regardless of the question of whether we ever make a trade or not, this bill would give us the authority at least to seek to negotiate agreements. If, for instance, we find, as seems to be the case, that there is a need for food in Poland today, we can under the terms of this bill offer to provide Poland with a certain quantity of wheat, with a certain quantity of meat, with a certain quantity of fats, in return for wood pulp or other commodities they have that we need. We can offer that and advertise that all over the world, that we are offering that to help the people of Poland. The Polish Government then is placed in this position: They either have to accept the American offer, and everybody in the world then, including the people of Poland, will know that we have done it, or they have to reject the American offer, in which event the people of Poland and all the rest of the world will know that the Communists are willing to see their people starve rather than deal with the American Government. That is what this bill is seeking to do. It is not a matter of advertising it after you have done it, it is a matter of making your offer known to the rest of the world.

Mr. COOLEY. I agree with the observation of the gentleman.

Mr. SHORT. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. SHORT. The fact is that we have already offered to give them food.

Mr. COOLEY. That is right.

Mr. SHORT. They have refused it. There is a bug under the chip. They want to negotiate and the minute you start trading, you give a semi-recognition to the Government. Oh, do not let that camel get his nose under the tent.

Mr. COOLEY. You say my heart is not in it. I am perfectly willing to admit it.

Mr. SHORT. I am so pleased and grateful to see the gentleman stand up and defend this administration.

Mr. COOLEY. I am not doing that.

Mr. SHORT. I will love you forever.

Mr. COOLEY. The gentleman misunderstood my suggestion. I told you that I wanted no part of your President's recommendation on January 9 that we carry on commerce with communism.

Mr. SHORT. What are you doing when you pass this?

Mr. COOLEY. He recommended it.

Mr. SHORT. I do not care who recommended it.

Mr. COOLEY. Dulles recommended it.

Mr. SHORT. I do not care who recommended it.

Mr. COOLEY. Neither do I.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. GROSS. This bill might be more acceptable if you had provided in the bill that the Poles could not ship 22 million pounds of canned pork products alone into this country each year. Why are you talking about the hungry people of Poland? Why does not the Polish Government keep their hams that they are shipping into this country to compete with American agriculture?

Mr. COOLEY. Does the gentleman mean to say that under this Republican administration we are carrying on commerce with Communist Poland?

Mr. GROSS. The gentleman knows that we have been doing that for years under both Truman and Eisenhower. Why do you not shut that off?

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. JUDD. I would just like to ask the gentleman's interpretation of the language on page 2 on lines 8, 9 and 10 beginning with the parenthesis: "to assist friendly nations to be independent of trade with the Union of Soviet Socialist Republics and with nations dominated or controlled by the Union of Soviet Socialist Republics."

Now, this is to assist friendly nations to be independent of trade with nations dominated or controlled by the Communists. What are the friendly nations that we would thereby be helping to become independent of Poland, East Germany and Hungary and Czechoslovakia as well as of the Soviet Union? Presumably those are the countries that are controlled or dominated by the Soviet Union. I do not understand what this means.

Mr. COOLEY. That is the same complaint that the lovely lady from New York had a moment ago when she called attention to the fact that this language

is awkward, and I agree that it is awkward.

Mr. JUDD. Then, also, the second part: "to assure that agricultural commodities sold or transferred thereunder do not result in increased availability of those or like commodities to unfriendly nations."

Now you seem to be saying in this that Poland, which is under Communist domination, is a friendly nation because otherwise you would not have to decree in the second half that nothing must go to an unfriendly nation. Yet these Communist-dominated nations I had assumed were considered unfriendly. But, then in the first part, you are authorizing barter with these nations. Are they friendly or are they unfriendly?

Mr. COOLEY. We have already authorized giving away.

Mr. JUDD. I am not talking about giving, I am talking about barter. This has to do with barter. Does not this language thereby define these satellite countries as friendly nations?

Mr. COOLEY. I do not think so.

Mr. ZABLOCKI. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. ZABLOCKI. The gentleman from North Carolina is a recognized authority on agricultural problems of the United States, and I am sure it is known that he is a student of agricultural production internationally. There are, I think, two basic questions which I would like to ask. Is it not true that Poland historically was an agricultural export nation; is that not true?

Mr. COOLEY. Sure. So is Yugoslavia.

Mr. ZABLOCKI. Is it not true, sir, that there was no drought or flood which would ruin the crops? What has caused the shortage?

Mr. COOLEY. I can tell you what I think has caused the shortage, but I do not have time to do so. I think the same situation exists in Poland as exists in all the Communist countries.

Mr. ZABLOCKI. Was it not an expression against the regime in Poland and the Communist-dominated Government of Poland that food was not produced?

Mr. COOLEY. That is right. The system now used in agriculture in those nations, and the same situation exists now in Yugoslavia where the farmers refuse to produce and turn their products over to the Government.

Mr. ZABLOCKI. If we are going to send our surplus commodities to that government, are we not telling the people of Poland that although they are oppressed; that we will deal with the oppressor?

Mr. COOLEY. The former Secretary of Agriculture said when he left office that the system had failed. When they have to admit that their agricultural machinery has bogged down and they are unable to produce enough food for their own people, that must be so.

Mr. ZABLOCKI. We are all kindly and humanitarian, but I am sure this provision in the legislation will not provide food to the people in the Communist-dominated nations.

The CHAIRMAN. The time of the gentleman from North Carolina [Mr. COOLEY] has again expired.

Mr. COOLEY. Mr. Chairman, I yield myself 4 additional minutes.

I yield to the gentlewoman from Missouri.

Mrs. SULLIVAN. To get back to the distribution of surplus food to friendly nations, since we are giving this food away, although we get paid in foreign currency and, according to the President's message of July 11, nearly all of this money is given back to the countries which pay it or else it goes to them for development in their own countries, in any event, since we are giving it away and paying even for the transportation on it as well, can we not afford to distribute more of this surplus food to our own needy? In other words, can we not devise a practical method for getting some of this food to people on public assistance?

Mr. COOLEY. I want to compliment and commend my friend for her great interest in the subject we are now mentioning. I do not know of any Member of this House who has shown greater interest in the matter which you are now discussing. As a result of your own great interest, the conferees placed a provision in the recent farm bill calling upon the Department of Agriculture to study the problem and to submit an appropriate stamp plan or some other distribution program to take care of our own needy people in this country.

Mrs. SULLIVAN. I know the gentleman has been very cooperative, but I was wondering if any effort is being made to get that report through before we adjourn.

Mr. COOLEY. We have called upon the Department of Agriculture to submit that report. It was required within 60 days. I am not sure how many days remain, but we will ask for the report within a period of 60 days.

Mrs. SULLIVAN. It probably is not due until September, but I was wondering if there was some way to get it through before that.

Mr. COOLEY. I assure the gentlewoman from Missouri that I will do everything I can to expedite it.

Mr. RICHARDS. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. RICHARDS. I would like to get our feet back on the ground on this thing. Is it not a fact that we have food surpluses running out of our ears in this country, and do not other countries have strategic materials of which we are short and in need?

Mr. COOLEY. That is correct.

Mr. RICHARDS. If we provide this food, which I think we should, through barter, if there is no barter arrangement arrived at, then the world would know that we could not agree on barter.

Mr. COOLEY. I think the gentleman is entirely correct. You remember the comment that came out of Poland to the effect that Poland refused this charity because it was only American propaganda. We are giving them a little more propaganda.

Mr. RICHARDS. And is this not correct, that if we do have a barter arrangement this country gets something worthwhile for this country, and the other country gets food to relieve human suffering, and if the government of those people does not provide that food, then they are more ready for a revolution over their dictatorial powers?

Mr. COOLEY. The gentleman is correct.

Mr. RICHARDS. I think the gentleman has a sensible proposition, if people will look at it from the commonsense standpoint.

Mr. COOLEY. May I call attention to this language in Mr. Dulles' letter:

I believe that it would be helpful if they could know, in a concrete and dramatic way of the bountiful fruits of a society of freedom, which free nations share on a normal basis.

Then one other quotation:

The offers we have in mind would be designed to illustrate and illuminate the possibilities which normally prevail as between free nations.

That is the objective that he has in mind. Whether the House wants to approve this or not is not of much concern to me.

I have no pride in this provision. I did not believe that it was a thing that should be done, but I am perfectly willing for the House to work its own will.

Mr. DODD. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. DODD. There has been considerable comment here to the effect that in this proposed barter of food the people of Poland and people of the other captive nations would know it came from us, but this is not sound reasoning, for it overlooks or ignores the fact that in these countries there is an absolutely controlled press and radio. For example, does the gentleman believe that the people of Poland know that the Red government of Poland refused UNRRA aid when we offered it? I doubt it. And the same is true of other captive peoples. Consequently I believe it is nonsense to say that we can gain a propaganda advantage by the use of bartering food for certain strategic materials.

One other question: Does not the gentleman agree that there are some people in this country who are more interested in getting rid of surplus commodities than they are in the struggle to help these captive people get their freedom?

Mr. COOLEY. No; I do not believe that. I regret the gentleman said that.

Mr. DODD. I do not regret that I said it, because I believe it very earnestly and seriously.

Mr. COOLEY. That is tantamount to an indictment of the Committee on Agriculture. It is an indictment of Mr. Dulles.

Mr. DODD. No it is not. I have the highest respect for you, your committee, and for Mr. Dulles. I am referring to certain dollar patriots and they are not always interested in good commodities. They have plagued us for years. Some of them sold scrap to Japan, they sold other vital material to our enemies at

other times, they are still busy and they do not care about anything but profits.

Mr. COOLEY. That is tantamount to saying that the President of the United States, the Secretary of State, the Secretary of Agriculture, all three of them are not vitally interested in the future welfare of our public relations. Certainly they are not unduly interested in disposing of surplus commodities, and I resent the suggestion that any man on our Committee on Agriculture would put the sale of commodities ahead of our future welfare and security.

Mr. DODD. I did not make any such statement and had no such thing in mind, because I know that is not so. But I stated the truth and every informed person knows it.

Mr. COOLEY. I hope so.

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from New York.

Mr. TABER. Does not the gentleman remember that when we had UNRRA, Russia took the food and relief materials and put her own label on it and pretended to be giving it to these people over there, her satellites?

Mr. COOLEY. I do not doubt that at all.

Mr. TABER. Food and material that we furnished.

Mr. COOLEY. I will say to my friend that I do not doubt that in the slightest.

Our committee has to do everything we possibly can, and the House likewise, to see to it that the ultimate recipients of these commodities know the source from which they come.

Mr. DIES. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Texas.

Mr. DIES. Does this bill authorize the exchange of American surplus agricultural products for strategic war materials?

Mr. COOLEY. That is right.

Mr. DIES. May I ask the gentleman if that is not a rather serious thing? In other words, we are seeing riots in the satellite countries brought on by the inability of the Soviet Union to supply those people with food and fiber. If we supply their needs, whatever the reason may be, does not the gentleman believe we are aiding the Soviet Union in the end?

I understand there are two sides to the question: I have discussed it with people in the State Department, but it seems to me that the great weakness of the Soviet Union today is their inability to feed their people.

Mr. COOLEY. That is right.

Mr. DIES. If we step into the picture and send them food we are taking that much of a load off Russia.

Mr. COOLEY. Let me say to the gentleman that he is under more apprehension than he need be, for under the law now we can give it to them; it will not cost them a dime. They refused to take it.

This is a barter transaction in which we get a dollar's worth for every dollar's

value that we give. If the gentleman's fears are well grounded then I think that the governmental departments were wrong when they offered to give these people food.

Mr. DIES. I think that was a very, very wise gesture.

Mr. COOLEY. That was not a gesture. The Poles said it was propaganda. It was not a gesture.

Mr. DIES. I understand, but they refused?

Mr. COOLEY. That is right.

Mr. DIES. They did not get it. Here is what I fear, though I am not certain, I am frank to say to the gentleman. There are two sides to this question. I have the feeling that if we will let this situation alone, cruel as it may seem, hunger and poverty will ultimately force these people to revolt throughout the satellite countries.

Mr. COOLEY. The gentleman may be right. If he is right, then we should revoke the authority we provided for the donation of food.

Mr. DIES. Of course, that is given under control.

Mr. COOLEY. No. As the gentleman from Minnesota [Mr. Judd] pointed out a moment ago, we have no way of controlling it.

Mr. JUDD. We offered to give the food through the International Red Cross Society.

Mr. COOLEY. But the people did not know that.

Mr. DIES. This is a tremendously important question. Here is what I question: If you appear to give it to them through the Red Cross, that is an act of a Christian character. That organization is known throughout the world. But when you undertake to trade, that is quite a different proportion, it seems to me. They are under no sense of gratitude or obligation to us. They say, "We gave you something in exchange."

In other words, you are coming to the rescue of the Soviet Union because, make no mistake about it, Russia cannot feed her millions of people. That is what has happened in the satellite world and that more than the atomic bomb or anything else will ultimately defeat the Communist plan of world conquest.

Mr. COOLEY. The gentleman may be right.

Mr. DEVEREUX. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Maryland.

Mr. DEVEREUX. Going back to the point that was originally brought out by the gentleman from Minnesota, the question of friendly nations. On page 2, line 9, suppose we strike out the word "nation" and insert "people" rather than "nations." Would that not make it more acceptable?

Mr. COOLEY. The people would have nothing to barter with. We can give it to the people now.

Mr. DEVEREUX. That would establish our relationship.

Mr. COOLEY. The hungry people of Poland would have no strategic materials with which to barter.

Mr. DEVEREUX. What we are trying to do is to get the food to the hungry

people. We would say "friendly people." This is our objective.

Mr. COOLEY. No. If you are going to barter with someone in a Soviet country, you have to barter with the government.

Mr. DEVEREUX. The object we have is to get food to friendly people.

The CHAIRMAN. The time of the gentleman from North Carolina has expired.

Mr. COOLEY. Mr. Chairman, I yield myself 1 additional minute.

Mr. HOPE. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Kansas.

Mr. HOPE. Is it not a fact that under the provisions of this bill and in the manner in which it will be handled, as we understood the Secretary of State we will simply make an offer, say to the Government of Poland or to the Government of Czechoslovakia: "We offer you this proposition." Is there any reason why that proposition cannot comprehend delivery of these goods directly to the people rather than to the Government?

Mr. COOLEY. I think the gentleman is correct. It will be up to our negotiators to say what provisions to put in the contract.

Mr. MASON. But you are negotiating with a government.

Mr. COOLEY. Yes.

Mr. HOPE. Mr. Chairman, I yield myself 15 minutes.

Mr. Chairman, most of the discussion so far has taken place on section 3 of the bill. I have no disposition to avoid a discussion of section 3 of the bill, but it is certainly one of the least important provisions in the bill, in my opinion. The situation as far as our surplus-disposal program is concerned at the present time is that the Department of Agriculture has authority to sell for local currencies \$1.5 billion worth of surplus commodities. At the present time they have either disposed of commodities amounting to that quantity or have contracted to do so. The result is that unless we extend the authority they cannot make any more deals to dispose of these commodities.

Now, I am informed at the present time that there are negotiations pending with a number of governments which, if carried out, would perhaps result in the disposal of \$400 million or \$500 million worth of additional commodities, commodities which are now stored in our warehouses, the storage of which is costing us \$1 million a day, and it is obviously, it seems to me, to our advantage to extend this legislation so that this disposal program can be continued.

Mr. Chairman, I think this program has been very successful. It took a little while to get it off the ground, but during the first year we disposed of approximately half a billion dollars worth of commodities. During the past year we have disposed of about \$1 billion worth of commodities; that is, on the basis of the investment of the CCC. Now, that does not mean that we made sales aggregating that much. The actual aggregate amount of the sales for the 2

years is about \$1 billion, because we sold at prices lower than the investment of the CCC, as we are permitted to do under legislation which says that we do not have to follow the usual formula when we sell for export. But, unless we extend the legislation, this program will have to come to an end as soon as present contracts are fulfilled.

Mr. DIES. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield to the gentleman from Texas.

Mr. DIES. Could we not accomplish that by simply striking out section 3 of this bill?

Mr. HOPE. Well, there is no question but what that could be done. As far as the point I am discussing now is concerned, certainly that could be done.

Mr. DIES. What you are arguing is that all of the rest of the bill is very much needed.

Mr. HOPE. Yes, certainly.

Mr. DIES. Well, we would not interfere with the bill by striking section 3.

Mr. HOPE. I do not want the gentleman to understand that I am in favor of striking section 3, because I am not. But that is the only controversial point in the bill, I think.

Now, there are three things that this bill does. The first one I have mentioned. The second one is to authorize the use of some of the foreign currency which has been received from the sale of surplus commodities for the support of American schools abroad, that is, schools that qualify under the so-called Smith-Mundt Act. At the present time these funds can be used to carry out projects under the Fulbright Act but not under the Smith-Mundt Act.

That brings us to the other provision which appears to be quite controversial, and I think it was to be expected that there would be controversy over that section. However, I want to point out that this is an administration proposal; that this bill came from the Department of Agriculture as a departmental bill; that it has the support of the Secretary of State, and that the administration regards section 3 of the bill as a very important part of the measure.

The testimony of the State Department before the committee was in executive session. I am not in a position to reveal what was said by the Secretary of State, but I do know that he regards this section and the provision which it contains as being of the utmost importance.

Now, the committee after considering the matter did not accept the exact provision which was contained in the bill as it came from the Department of Agriculture. That provision was simply to repeal section 304 outright. We did not feel like going that far, but essentially what we have done here is to provide that section 304 be limited to title I of the act.

I have listened attentively to the debate. I have heard the objections that have been raised by those who feel that section 304 is a dangerous provision. I can understand why anyone might want to stop and look and think at least about that provision and study fully its impli-

cations. But I do not feel that the fears of those who are concerned about section 304 are justified. It seems to me that this is not a provision which puts the control of the situation in the hands of the Communist countries as my friend, the gentleman from Minnesota [Mr. Judd] has declared. Rather, the initiative is entirely in our hands. We can make any kind of barter offer we want. We can provide in that offer just how these commodities are to be distributed.

We can say that they shall be distributed through the Red Cross; that they shall be distributed through church organizations; that they shall be distributed through representatives of the United States Government. We can offer to accept by way of barter any commodities that we can use in this country, strategic or nonstrategic. So the initiative is entirely in our hands. It is up to us to do what we want to do in the way of making an offer.

Let us consider what might happen if an offer were made. I would be surprised if the Government of Poland or the government of any other satellite country would accept the kind of offer that I have described, because naturally it would put them on the spot. But suppose they turned it down. And suppose this were known all over the world, suppose Radio Free Europe broadcast into Poland that we had made an offer of this kind and that it had been turned down by the Polish Government. Is there anything wrong with that? Have we lost anything by that?

Suppose the Government of Poland desired to accept an offer of this kind and suppose Soviet Russia said, "No, you cannot do that; we are not going to let you do that," and suppose word got out that that is what happened. Is that going to help the relations between Poland and Soviet Russia?

Certainly there are a great many possibilities, as I see it, in a situation of that kind. I am not saying that that is what the Secretary of State has in mind at all. But as I see it there are a great many possibilities of upsetting the relationship that now exists between Russia and the satellite countries and between the satellite countries and their people.

Mr. MORANO. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield to the gentleman from Connecticut.

Mr. MORANO. Mr. Chairman, the gentleman is making a very fine statement. Is it not a fact that we have diplomatic representation in most, if not all, of these satellite countries; and that if we did make an offer and it were accepted on the basis of the provisions we inserted in the agreement, our embassies could follow through to see that the agreement was properly carried out to our satisfaction?

Mr. HOPE. Certainly.

Mr. MORANO. And we would have a great advantage, then, in doing as the gentleman says, by creating some friction between the Soviet Union and the satellite countries which were trying to get food for their people.

Mr. HOPE. I agree with the gentleman entirely.

Mr. LAIRD. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield to the gentleman from Wisconsin.

Mr. LAIRD. The gentleman from Kansas was discussing section 3. I think there was some misunderstanding as to paragraph (a) of section 3 of the bill. Title I of the act we are discussing here and seeking to amend applies merely to the use of counterpart funds. Subsection (a) of this amendment does not designate the satellite countries as friendly nations. The only part of that amendment that applies to barter is down here in (b) where title III is limited so that no transactions can be carried on with the Union of Soviet Socialist Republics or Communist China or North Korea. I think there was some misunderstanding in the discussion that went on before here that we were designating the satellite nations as friendly nations, which we are not doing in this legislation.

Mr. HOPE. I am glad the gentleman brought that up. That is absolutely correct. The principal purpose and effect of section 3 is that we limit the provisions of section 304 of the old act to title I of the bill. We take away the limitation that has heretofore existed as far as barter is concerned.

Mr. BURNSIDE. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield to the gentleman from West Virginia.

Mr. BURNSIDE. Is it not true that these satellite nations have to furnish the food for the Russian troops stationed in their countries? Would not this food we are sending over there actually be food for the Russian troops in those satellite countries?

Mr. HOPE. No, I do not think we would make a deal that would provide for anything of that kind. We can make any kind of offer we want to. I have enough confidence in the Secretary of State to feel that the kind of offer they would make would not be one that would result in the feeding of Russian troops in any satellite countries.

Mr. BURNSIDE. I understand they are now foraging and picking up the food for the Russian troops. Would not the easiest way be for them to take this food sent in there and just transfer it over to the Russian troops that are stationed there?

Mr. HOPE. In my answer to the gentleman I have to repeat what I said before: We can make any kind of offer we want to and provide for supervision by United States personnel, which I certainly think would be the wise thing to do, if we did make a deal.

Mr. ZABLOCKI. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield to the gentleman from Wisconsin.

Mr. ZABLOCKI. I was interested to hear the gentleman say he agreed with the statement of the gentleman from Connecticut that our people would have an opportunity to supervise and see that the agricultural commodities actually got to the people. Will the gentleman tell us just how they could possibly be able to do that?

Mr. HOPE. I said I thought that any offer we would make should contain a provision of that kind. As far as I know, no one objects to the provisions in title II of the old bill which state that we can give food and other surplus commodities away to the people of these countries. We have done it. We did it in East Berlin. We gave food away during the period of the Balkan flood, and we supervised it through the Red Cross and similar agencies.

Mr. ZABLOCKI. We knew it was going to the people.

Mr. HOPE. All right. Why can we not make the same kind of offer under this provision?

Mr. ZABLOCKI. Are we going to agree to any provision that the Soviet or the Communist-dominated nations are going to have an opportunity to supervise the strategic items they may barter in exchange for food? Is there any assurance that the Communist-dominated countries will agree to the supervision of the distribution of commodities obtained by barter?

Mr. HOPE. I do not say that we have made any deal or that we will, but we can make an offer. I think the kind of offer we make should be one that will fully protect this country so that we will be sure that these commodities will go to the people who need them and not serve in any way to build up the strength of the countries themselves.

Mr. ZABLOCKI. You just cannot deal with Communists.

Mr. HOPE. Perhaps not, but we can make them an offer.

Mr. ZABLOCKI. We made an offer to give them the food free providing that it got to the people, but they refused that.

Mr. HOPE. They may refuse to accept this.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield.

Mr. AUGUST H. ANDRESEN. The gentleman will recollect that when we had the Marshall plan up here for debate some years ago. I proposed an amendment that the food we shipped under the Marshall plan would be distributed to hungry people through the Red Cross and through charitable organizations. Would it not be possible for us to write an intent into this debate so that the distribution in these countries can be in the same manner?

Mr. HOPE. You mean to put some language in this legislation?

Mr. AUGUST H. ANDRESEN. No; I mean, if the debate is worth anything, that we can get it into the debate. For myself, I would be willing to have this food distributed in these countries through the International Red Cross and through the churches and through charitable organizations to hungry people. When I offered a similar amendment to the Marshall plan, I was turned down by the very men who are advocating that thing now. They said I was wrong then. Now they have come around saying that I was right at that time. So I would rather see this food distributed in that manner, and then we will be sure, at least, that this food will go to the hungry

people of Hungary, Czechoslovakia and these other countries.

Mr. HOPE. I would, of course, agree with the gentleman that that is the preferable way to do it, and I hope we do not make any offer that does not fully protect the interests of this country and protect the interests of the people of the recipient country.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield.

Mr. JUDD. However, when we barter—the grain or the food or whatever it is becomes theirs. We cannot put any strings on how they are to distribute what will be their own once they have bought it.

Mr. HOPE. We can put any kind of strings on an offer that we want to.

Mr. JUDD. Would we not be making ourselves ridiculous to say that we will barter with them, and then that they have to agree to our strings as to how they shall distribute their own food after they have bought it from us?

Mr. HOPE. We can make the question as to how the food shall be distributed a condition of the offer. They may not accept it.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield.

Mr. AUGUST H. ANDRESEN. It would be ridiculous if we did not tie strings to it. Then, if that is true, it is ridiculous the way our Government handled the Marshall plan and the distribution of food to hungry people.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield to the gentleman.

Mr. JUDD. I would like to say first that I think the gentleman will agree that I have shown as great interest as anyone in this program of selling agricultural surpluses for foreign currencies, since I was the first person to testify before this committee in 1953 to try to get section 550 of the Mutual Security Act of 1953, of which section I was the author, transformed into the general bill from his committee in 1954, which became Public Law 480.

Mr. HOPE. That is true. The gentleman is entitled to a great deal of credit for that. He was the original, or at least one of the original, Members advocating that.

Mr. JUDD. The gentleman from Texas [Mr. BURLESON] and I put in the original identical bills. Therefore, nobody can be more interested in the success of this program from the standpoints, both, of getting commodities to people who are suffering from lack of food and of helping our own domestic surplus problem of which we are all aware. My point here is this. We all agree as to the fine objective—but what will be the result? That is the question. Food is the most powerful political weapon in the world, and the Achilles heel of Communist regimes from the beginning has been failure of the people to produce adequate food. Russia, Poland, Hungary, and Rumania were always food-surplus countries. They never had shortages until the Communists took over. If they had had drought

or floods to cause the present shortages, that would have been one thing. But, they have had good crop-growing seasons and yet there is a shortage that leads unarmed men in the cities to riot, or gives them the excuse to riot. What is the reason? There can only be one reason. The rural people are fighting their tyranny by the only method they have—cutting down food production. Yet it is proposed in this section that we start bartering with the governments, thereby giving the tyrannies respectability, helping to solve their food problems for them, and breaking the spirit of the people. It seems to me an act of shortsightedness where our hearts are running away with our heads, to suggest that we now help the very governments our whole foreign policy is designed to weaken—and at a moment when they are in trouble because of their inability to get the people to produce enough food.

Mr. HOPE. I do not know any way that you can use food for diplomatic purposes as long as it is deteriorating in our warehouses. This is an effort to give us authority to let us make some use of food in an effective way.

Mr. JUDD. I want to see that too. But, I do not want to adopt a method that I believe may defeat the very excellent end that you and your committee have in mind.

Mr. HOPE. Of course, when the gentleman raises that point he is taking a position in opposition to that of the Secretary of State.

Mr. JUDD. That is true, and I regret deeply the necessity of my doing so. Perhaps I have had more direct personal experience with and under Communist regimes. I was under the Communists in China for 8 months in 1930. That was a long time ago, but there has not been any discernible change in Communists anywhere in all these years.

There is an honest and sincere difference of opinion between myself and my own administration as to which is the best way to weaken and eventually break down these tyrannies. I do not believe that can be done from the outside. I think it has to be done from the inside. The strongest and most valuable allies we have in the world today are not some of our ancient friends in Western Europe, but the 900 million people behind the Iron Curtain. We must never do anything to dampen their hopes or cause them to despair. Their spirit is rising in Poland, their resistance is increasing in Hungary, there is open resistance in Tibet. For God's sake, do not desert or discourage them just when they are making headway against the tyrants, as our offering to supply food and thereby greatly strengthen those tyrants would inevitably do. How can they be expected to resist their Red rulers if we are to accept those rulers?

The CHAIRMAN. The time of the gentleman from Kansas [Mr. HOPE] has expired.

Mr. HOPE. Mr. Chairman, I yield myself 3 additional minutes.

I want to say to the gentleman from Minnesota that there is no one who has any greater respect and admiration for him than myself. There is no one with

whom I dislike to differ more than the gentleman from Minnesota. I am sure he is very, very sincere, but this is a question upon which there are differences of opinion among well informed people.

Mr. JUDD. There is no question about that, and I deeply appreciate the gentlemen's statement. He knows how high is my respect and regard for him. Our difference is a question of judgment as to what is the best way to deal with Communist governments. I do not think our record in dealing with them has been so successful in the past that we ought to accept from anyone proposal for retreats in our policy as drastic as this without the most careful consideration.

Mr. CURTIS of Missouri. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield.

Mr. CURTIS of Missouri. I have been interested in trying to follow this debate. It covers a very important subject. I was disturbed to find there were no hearings available. Did the committee conduct hearings on this matter?

Mr. HOPE. Yes. We conducted hearings over a period of 3 days. We heard the Secretary of State and Mr. Gwynn Garnett, who is the official in charge of this program in the Department of Agriculture. We also heard other officials, including some from the State Department.

Mr. CURTIS of Missouri. I want to thank the gentleman for making available to me a few minutes ago what hearings there were. But the thing that disturbed me, I further observed that almost the entire subject matter deals with section 2 of the bill, and very little of the hearings have any concern with section 3, which is the subject of this big difference of opinion. If the gentleman will refer to section 2 of the bill, which is making available additional funds for the United States Intelligence Agency and Student Exchange Program, I gather that they think this will give them additional money. Is that true? Are they not still limited by the money that the Appropriations Committee of the House and Senate vote in that way, or will this be free money for the student exchange program and also the Information Service?

Mr. HOPE. My understanding is that this will be free money, but it will be handled in the same way as the Fulbright money is handled now.

Mr. CURTIS of Missouri. I think it will be free money. Here is another example of completely bypassing our own Appropriations Committee. I simply wanted to include that thought, that if this is true, I think the Appropriations Committee should be very much concerned. I certainly am, because we try to tighten up on this program, the Information Service, as well as the educational program. Mr. Riley has testified that this will give them almost twice the amount of money that the Congress voted through their appropriation bills. If it is free money, I think we should think about this quite carefully. I cannot understand why these hearings were

not printed so that they would be available during this debate.

Mr. HOPE. I recognize the gentleman's position, but it is not a new principle, because it is exactly the same provisions contained in the original Public Law 480, except it is extended to another program.

The CHAIRMAN. The time of the gentleman from Kansas has again expired.

Mr. HOPE. Mr. Chairman, I desire to yield 3 minutes to the gentleman from Wisconsin [Mr. O'Konski].

Mr. O'Konski. Mr. Speaker, I sometimes wonder if I read enough, because it is pretty hard for me to determine just exactly what our policy is.

I do not see much propaganda value on our side, for instance, when less than a year ago the Government of Poland offered to buy wheat from the United States of America to help feed the people of Poland, and they were refused. Poland was indirectly refused when they were asked to pay 30 percent above the prevailing world price at that time. The Government of Poland went over to Canada and bought the wheat anyway where they got it at the prevailing world price.

Here is what I mean when I say I do not understand: Somehow our State Department and those in control of our foreign policy think it is against our interest to sell food to a Communist-dominated country, dominated against their will as in the case of Poland. But at the same time under this very policy the same State Department and the same Commerce Department just the other day approved a deal whereby the United States is selling \$1 million worth of sheet steel to the Soviet Union.

For the life of me I cannot understand how a foreign policy can be against selling food to satellite countries that are controlled against their will and at the same time sell \$1 million worth of sheet steel to the Soviet Union. What do you think that sheet steel is going to be used for?

Mr. HOFFMAN of Michigan. They are going to eat it.

Mr. O'Konski. They are probably going to make us eat it when the bullets start flying. That is what I mean when I say I cannot understand what goes, and just what kind of a policy we do have, if any?

I hold no brief for the Communist Government of Poland. I despise it. I was against ever recognizing it in the first place. But if we do business with Russia, I cannot see how we can refuse to do business with Poland.

I am for this bill. I think it is a good bill. It may aid us in getting food to hungry people—when our warehouses are bulging.

Mr. POAGE. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, I am glad to find at least 1 or 2 Members on my left have finally decided that this bill is worthy of some consideration.

However, I think the gentleman from Wisconsin is probably laboring under some illusion as to the facts when he describes the situation a year ago. It is

perfectly true that the United States refused to sell to Poland the wheat she wanted at the price for which we were then selling to other nations under this very act. The United States did offer to sell wheat to Poland on the terms required by the general law. All that Poland was denied was the advantageous terms which we have extended to friendly nations under Public Law 480. The reason is that there is language in the law today which our Government construed as prohibiting them from extending the more advantageous terms to any satellite. The language is to be found in section 304 where it says:

The President shall exercise the authority contained herein to assure that agricultural commodities sold or transferred hereunder do not result in increased availability of those or like commodities to unfriendly nations.

What the State Department and the Department of Agriculture determined was that that language prohibited them from selling under the terms of this act. They then offered to sell wheat to Poland at the regular domestic price, the same price you and I would have to pay if we bought it from the Commodity Credit Corporation. That was not a refusal to sell wheat to Poland; that was a refusal to sell wheat to Poland at the discount price which we were offering to certain other foreign countries under the terms of this bill. The United States did it because they said this bill prohibited the more favorable terms to Poland. The very amendment that is now under discussion would take that language out and will substitute language which will enable us, if we see fit and if we think it is to our advantage, to trade with Poland on a barter basis or with any of the satellite countries. It will achieve exactly what the gentleman feels should be achieved. It seems to me it is a step in the right direction.

Mr. O'Konski. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield to the gentleman from Wisconsin.

Mr. O'Konski. How in the same bill could our Government approve the shipment and the sale of a million dollars worth of steel to Russia?

Mr. POAGE. Because there is a specific difference between the way we treat the satellite countries and the way we treat the Soviet Union. We have tried under the terms of this amendment to make it very clear that you cannot even barter under the terms of this amendment with the Soviet Union, with Red China, or with North Korea. Read the amendment. It specifically prohibits the bartering of these commodities with those three countries, Red China, Red Russia, and Red Korea.

They are trading with Russia now, as I understand it, on the basis of the old law that has never prohibited our citizens from trading with Russia. The Agriculture Committee had no jurisdiction over those transactions. We can only recommend rules as to the movement of these surplus agricultural products. If you can get a license from the Department of Commerce or the State Department you can trade anything ex-

cept these agricultural products with Russia, and American citizens are doing it today. Your President is authorizing it. Possibly that is the reason some of the Members on that side have felt so much reluctance to approve this measure.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield to the gentleman from Minnesota.

Mr. JUDD. The same section that the gentleman has read in which barter is prohibited with Red Russia, Red China, and Red Korea also prohibits transactions under title I, which is trading surpluses for foreign currency.

Mr. POAGE. That is right. We are not offering anything to either Russia or Poland for foreign currency. The steel hereto referred to is not being sold for rubles; it is being sold for dollars. As far as I know, there is nothing in the present laws of the United States that prohibits the sale of anything—of airplanes, of high-octane gasoline, of weapons.

Mr. JUDD. Oh, yes there is.

Mr. POAGE. To Red Russia if they can get a license from the United States Government.

Mr. JUDD. But the issuing of a license is prohibited in the Battle Act.

Mr. POAGE. I am sure that the President has issued the license, whether forbidden or not. The people who are selling this steel have a license. This steel is being shipped under such a license.

Mr. JUDD. There are certain strategic commodities prohibited entirely in the Battle Act. Others are considered of less importance and, hence, have differing grades of priority.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield to the gentleman from Iowa.

Mr. GROSS. I wonder if the gentleman from Minnesota can tell us when the penalties under the Battle Act have been enforced.

Mr. JUDD. But the Battle Act requires licensing, just as the gentleman from Texas said.

Mr. GROSS. It has been violated by Britain, France, and other countries. They have on the record admitted that they have violated the act by shipping strategic materials to Communist-dominated countries. Has the Battle Act ever been enforced?

Mr. JUDD. We are not talking about the Battle Act as far as other countries are concerned. I was talking about as far as it affects the sale of American goods.

Mr. GROSS. The gentleman was talking about the Battle Act and it has become a dead letter in the law.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. POAGE. Mr. Chairman, I yield myself 5 additional minutes.

Mr. Chairman, I hope Members will let me proceed for a few moments without interruption because I think it is rather important that we get this situation clear. I can see that there is some reluctance on the part of the gentlemen on the Republican side to support legislation that gives your President and

your Secretary of State a degree of discretion that if properly exercised will certainly be to the great advantage of the United States. But, if improperly exercised, it probably would be harmful. I can understand why you have some reluctance; but I should think that it might more properly be expressed on this side. I should suppose that we might have a little more reluctance than you do about that matter, but apparently the gentlemen on my left are more reluctant to place power in the hands of their President and in the hands of his Secretary of State than those of us on the Democratic side. I suppose this must be so because you know them a little better than we do. You have an opportunity to discuss these things with them and we do not. I have never had an opportunity in my life to discuss with the Secretary of State any of these problems except on the one occasion when he asked to come before the Committee on Agriculture. Of course, the Committee on Agriculture was glad to have the Secretary of State come up and discuss matters with us. We thought he made a rather reasonable presentation. We thought it sounded rather reasonable that we should be allowed to get something from these people when we help them rather than to simply hand them something as a gift with no opportunity to even ask anything in return.

I want to make this clear. If you do not understand anything else I say, please remember this: The law as it is now written—and I refer you to title II of Public Law 480 as it is now written—authorizes your President and your Secretary of State, and mine, within the overall dollar limits of the law—to give every bit of this food we have in storage to these people in the satellite countries. They could clean the warehouses of the United States and ship it as a gracious gift to Poland, Hungary, Rumania, or any of the rest of those countries and get back not one thing of value. Now, what this amendment does is to say that the same officials who now have the authority to make these decisions can, instead of giving this food away and forgetting it, say, "We would like to have something in return." I think it is important to the membership of this House that you understand that presently the President of the United States and the Secretary of State can clean the warehouses out; give away every grain of wheat, every bale of cotton, to people behind the Iron Curtain; give it to them without any recompense whatsoever. This amendment says: Mr. Secretary, it looks like it is smart to get something in return for what we give these people. We are not adverse to helping people who need help, but we feel in turn if they have something that we need that you should ask for it, and this amendment authorizes your Secretary of State, your President, to get something in return.

Now, we do not know just how much they have in many of these places that would be helpful to us. We do not know just what kinds of trades can be made. The Committee on Agriculture of the

House is in no position to make trades with these countries, but we do feel that common, ordinary, horse-trading sense indicates that we ought to give the authority to the executive branch of the Government to make some trades and get something back when we give away this food. After all, what it boils down to, it is nothing in the world except are you willing to give to the President of the United States and the Secretary of State the right to do some trading rather than to limit them to giving things away. They have the power to give this food away today. We want to give them the right to get something in return, and that is all there is to it.

Mr. SHEPPARD. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield to the gentleman from California.

Mr. SHEPPARD. There is one question I should like to ask the gentleman just to clear up my own thinking. Suggestions were advanced by my colleague, the gentleman from Minnesota [Mr. JUDD], and also by the gentleman from Texas [Mr. DRES] that indicated that apparently they were concerned very much about the mechanics of the distribution of this food, because of its psychological effects. Would the gentleman be good enough to tell me whether under the existing law there is anything to preclude this Administration from designating the Red Cross or some other such organization to distribute any of this food that goes to these countries?

Mr. POAGE. No, there is not a thing in the law now. The President can give it away under any terms he wishes and though any agencies he may select, but we cannot get anything back from these countries. This amendment says that we can get something back; that is all it says.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield to the gentleman from Minnesota.

Mr. JUDD. Just for a correction. The gentleman has said that the President could clear out our warehouses and give away to satellite countries everything we have in them. He cannot. The law says:

In order to enable the President to furnish emergency assistance on behalf of the people of the United States to friendly peoples in meeting famine or other urgent relief requirements—

Unless the gentleman can envisage a famine or other urgent relief requirement that would require everything we have in our warehouses, it is extravagant to say that he has such power.

Mr. POAGE. If the gentleman does not believe that there is enough hunger behind the Iron Curtain today to eat up all that we have in our warehouses in America, then he has a vastly different idea of the efficiency of the Communist countries than I have. I have understood that they do have exactly the "famine or other urgent relief requirements" mentioned in the law.

Mr. JUDD. But our President will not violate the law.

Mr. POAGE. I don't want him to violate the law. I want to give him a law

that will clearly give him the authority he needs to do some good trading. Evidently I have more confidence in our President than you do.

Mr. HOPE. Mr. Chairman, I yield 10 minutes to the gentleman from Colorado [Mr. HILL].

(Mr. HILL asked and was given permission to revise and extend his remarks.)

Mr. HILL. Mr. Chairman, I should like to talk for just a few moments about what the bill actually does and not get off on section 103, or section 104, whichever it is, on which there has been so much colloquy, because there are much more important parts of this bill that have not yet been emphasized or discussed.

The gentleman who just preceded me was one of the original members [Mr. POAGE]—and I supported him—who felt that we should use barter and trade for strategic minerals or materials, with foreign countries.

Certainly no one within the sound of my voice but realizes that we should do that, when we consider the matter of our surpluses of farm commodities. There is no reason why we should not dispose of our surplus farm crops to all areas except those satellite countries which are named as exceptions in the bill. That is exactly what this bill proposes to do.

Let us check carefully and see if we cannot get together on this. If any Member wishes to offer an amendment, I know of no rule to prevent him from rising and offering an amendment to accomplish what he has in mind.

First of all, this bill increases the amount named in Public Law 480, \$1.5 billion, to \$3 billion. We felt that it had worked well, and the State Department supported it and asked for the legislation. We ought to double this sum. Certainly no one within the sound of my voice is going to rise and oppose this increase of funds.

No. 2, it authorizes the use of some foreign currencies received from the sale of surplus commodities for the support—and listen to these next four words—of American schools abroad.

That is in this bill. It gives an opportunity to our Secretary of State to see to it that some of our surplus products get into schools guided and directed by the philosophy of the Christian religion, regardless of the denomination. It permits the Secretary of State to get this food and these materials into these schools. If we can get them into the schools—and they are needed—we are doing a good job. There are thousands and thousands of people behind the Iron Curtain that are just as serious in the belief in the Christian religion as we ourselves are. This is an act that appeals to the basic philosophy upon which our Government was founded.

You are listening to one Congressman that has always felt the real error has been made in the way we send our surpluses, especially our food surpluses abroad. What do I mean? I simply mean that, if you accept the philosophy upon which this Government is based, you support the idea expressed in this

legislation. I have been disappointed in the Foreign Affairs Committee in that long ago they did not say to us we should not give the food to the governments but to the people.

In the front row before me sits a Congressman who was chairman of the committee that in 1947 visited some 9 or 10 countries of Europe. We were just beginning to deliver our great surpluses to these people. He and I visited farm after farm, market after market. We had conferences with agricultural departments in almost every one of those countries. We discovered at that time that we were doing this in a very slipshod and mistaken manner, wherein we were sending it through the governments when it should not have been sent through any government; it should have been sent to some type or kind of social organization that could direct the food to the people.

Let me tell you a terrific impression I received in Italy. It is almost impossible to transfer the impressions in my mind to this House. I am sure the gentleman from Minnesota [Mr. AUGUST H. ANDRESEN], of whom I was speaking a moment ago, will remember this.

We came upon a group, I will say 50 men at least, laboring on a highway in Italy. I was amazed at the kind of tools and equipment they had. They were all hand tools. We stopped and we visited with those men through an interpreter. With all the food we had been sending to Italy, and it is a great country without a question of a doubt, we discovered that they could not work those men over 3½ to 4 hours a day, in spite of all the surplus food we were sending to Italy. The answer was simply this: They could not get the food through the Government of Italy passed on down to the poor folks of that country without going through every type and kind of business organization that existed in the country of Italy. Just what kind of distribution of food is this? Under this bill we begin to realize the mistake and the error of our ways.

I happen to be a Protestant, a Presbyterian, but behind the Iron Curtain are thousands and thousands of devout Catholics. I hope the House can see that through this plan we can get this food to these people many of them starving.

There is one more request I want to make. Some of us keep still when we know we should speak. This is one of the times when my heart says to me, "You cannot keep still." I cannot go along with the philosophy that just because a damnable government holds a people down you cannot or must not try to get food to them?

I do not care whether it is in surplus or whether it is in scarcity.

Mr. HAYS of Ohio. Mr. Chairman, will the gentleman yield?

Mr. HILL. I do not yield.

Mr. HAYS of Ohio. Tell us how you are going to do this then?

Mr. HILL. That is something that you should be thinking of in case I ask you.

It is a fine thing to find fault when someone says you have no way of remedying it. I have a remedy and I gave it to you. The remedy is through the philosophy of the very religion that was

the basis of the foundation of this Government. We still have organizations that can see that this food is channeled into the proper places. Now, let us keep that in mind. The Communists have no religion.

I want you to turn to page 15. There you will find this. Let us get to the base of the difficulty. No one is finding fault with the first two sections. The general provisions of page 15, and they are according to the rules of this House we have written in the changes. I wish you would look at those changes. They are not many and they are not difficult. But, if any one in this House does not like those changes, please make your arguments—offer your amendments and if you can convince me that you are right, I will support them.

Now let me say—not one single member of the Committee on Agriculture, after they heard this testimony on how they were going to carry on this program offered a single word of objection to this bill.

I now yield to the gentleman from Iowa [Mr. GROSS].

Mr. GROSS. I would like to take the gentleman back to section 2 and ask him where he finds the word "school" in there. It says: "authorized by section 203 of the United States Information and Educational Exchange Act."

Mr. HILL. We happen to know where you will find it and, if the gentleman cannot get the hint of what I said, the gentleman will always have to be lacking in information.

Mr. GROSS. What do you mean by educational exchange act?

Mr. HILL. I mean there are plenty of ways to get the food to these people behind the Iron Curtain, if you know how to do it. That is the answer to the gentleman—I cannot go any further.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. HILL. I yield.

Mr. JUDD. I hesitate to say this because I realize how easily it can be misunderstood. But here is a case where my conscience requires me to say something too. The gentleman has said this bill is based on the principles of the Christian religion.

Mr. HILL. The gentleman believes that, does he not?

Mr. JUDD. Yes, I certainly do.

Mr. HILL. You are not questioning that statement?

Mr. JUDD. No. That is the worthy objective. But what will the result be? I am convinced it will be the very opposite.

Mr. HILL. Wait a minute, I have the floor.

You do not have any results that you are bragging about here this afternoon from your committee, do you? Do you think you are bragging about what you have been doing? I could tell you frankly that you have convinced many people to oppose any type or kind of foreign-relief program that you present to them simply because of the way it has been handled.

Mr. JUDD. Will the gentleman let me make my comment?

Mr. HILL. Yes, I am waiting.

Mr. JUDD. Thank you. This is what I must say. It seems to me we are being tempted here today in the same way that the Founder of the Christian religion was tempted. People came to Jesus and said, "Here are people who are desperately hungry. You have the power to feed hungry people. Are you going to be so cold-blooded and so heartless and so cruel that you will refuse to use your power to turn stones into bread to feed these starving children?"

It was a terrible temptation. He loved them and he wanted them to have food. But because he loved them so understandingly, he resisted the temptation, saying: "Men do not live by bread alone."

Now why are the people of Poland refusing to work and to till their fields and to grow enough food? It is because they want freedom—they cannot live without it. It is more precious even than food. Likewise, we must not yield to the temptation to believe that bread, essential and important as it is, is the whole thing by which God's children, with souls as well as bodies, live. They must have freedom also. If I can help myself I will never do anything to build up the strength and the prestige or the respectability or the influence or the power of those anywhere who hold human beings in subjugation.

I too go back to the Founder of our religion and am led to the very opposite conclusion of that to which the gentleman is led. With the very same religious motivation and with equal conscientiousness and sincerity, some of us come to the opposite conclusion of that of the gentleman. But, I do not want the gentleman to think that we come to our conclusion because we are against feeding children. We must be sure that the food gets to the children and we must also feed them with more than what bread alone can provide.

Mr. HILL. Is the gentleman finished?

Mr. JUDD. I am through.

Mr. HILL. Why you are making my argument. I am proud of the gentleman because he knows full well before he sat down he said frankly that if you can do what I said they could do, he would be for the bill. Now what are you going to do—be against the very thing you supported on the floor of this House because we happen to know they will get some of this food to these people in a way that you would expect?

Mr. JUDD. It is not just food they must have to live.

Mr. HILL. Read the Scripture and then give it a meaning.

Mr. JUDD. Well, they have proved that they preferred freedom to food.

Mr. HILL. Oh, now—

Mr. JUDD. Yes. That is why they did not grow enough food. They are trying to weaken the government that deprives them of freedom. That is happening in every Communist country.

Mr. HILL. Let me ask you. You said they control it.

Mr. JUDD. I said the people prefer freedom to food.

Mr. HILL. You mean they prefer starvation to working?

Mr. JUDD. No. It is not to avoid work. It is to avoid strengthening their government. In every Communist country they have cut down production. Let us not defeat by this section their efforts to regain their freedom, harsh as that at first might seem.

Mr. HILL. Now you are off the track and running on the ties. You have to work because you cannot help it. They are forced to work. Even if they did work a little on the food you supply them, do you believe for a minute that the people of Poland, with their fine historical background they have had in the past—do you believe they have forgotten the foundation of their nation, its liberty, its freedom, and so forth. One of the greatest spirits in any nation on earth for liberty and freedom is Poland.

Mr. JUDD. Why are the people in Poland hungry?

Mr. HILL. That is not your fault or mine.

Mr. JUDD. Why are they hungry?

Mr. HILL. You would violate all precepts of the philosophy of the Christian religion unless you want to help them as much as you can.

Mr. JUDD. Why are they hungry? Why have they not grown food? The Communists can control the industrial workers, but they have not been able to control the rural people. They will not grow food because they want to pull down their government. This is the main hope there is of ultimate triumph over the despots.

The CHAIRMAN. The time of the gentleman from Colorado [Mr. HILL] has again expired.

Mr. HOPE. Mr. Chairman, I yield the gentleman 2 additional minutes.

Mr. HILL. I am not asking you that you should give money to the Communists. Who said that? No one on the floor on either side has said that. We simply think there is a way in this bill that you can get around some of the difficulties we have had and save some of these people behind the Iron Curtain. Save them for what? For Russia? Certainly not. Save them for liberty and freedom in every spot on the earth.

Well, here you have an opportunity. If you do not like the bill, you change it to suit yourself, but let us have the bill as nearly as we have presented it. If you want to amend it, propose your amendment.

The CHAIRMAN. The time of the gentleman from Colorado has again expired.

Mr. POAGE. Mr. Chairman, I yield 1 minute to the gentleman from New Jersey [Mr. SIEMINSKI].

Mr. SIEMINSKI. Mr. Chairman, I think we agree that in this debate the most important interest is the interest of the United States.

I beg my colleagues of this Congress not to throw a food blockade around any people on earth in need of food. Let it be their governments not ours that would be guilty of such a crime.

Like pain, hunger respects no boundaries, nor does it respect, wherever found any race, color, or creed, regardless of conditions or servitude.

Though born of prior servitude, the United States has in freedom extended its hand in help ever since 1776.

Our flag flies where it belongs all over the earth. It flies in friendship.

Woe to any man whose hands reach for the guidelines that would lower that flag without our consent. I would shoot him dead if entrusted to keep Old Glory flying, or if entrusted to raise it where it belongs for all to see and for all to draw nourishment from it.

In every land on earth, Old Glory does its job, it seems to me, if with each setting sun, because of it, one more pair of eyes and one more heart has smiled and quickened.

Old Glory is our morning prayer. By eventide, let us hope that it has flown before the breeze to fill men's hearts with added appreciation of their worth and of their right to live, worship, and work in freedom, unfettered by governments not of their own choosing.

Our food follows the flag. Let it not be said that we, the people of the United States, do not want the food surplus that we, the House of Representatives own, to go to the people who are in need of food, flag or no flag.

The people of Poland, the 100 million people of Central Europe and the over 1 billion people in Asia need food. We have food. Let us set up feeding tables and feed the people who hunger.

In 1944, when our boys first lit fires to feed themselves in Viareggio, Italy, hands, fingers, open hands of women and children pushed through iron fences with anguished cries of "Pane, pane, Io fame, pane, pane"—Bread, bread, I am hungry. Our boys gave. God how we gave. We asked no questions. We gave.

The people in Poland want food. They need food. They hunger. We must give it.

God forbid that this House throw down a food blockade.

We must man the food sacks. It is for the Executive, it is for the President of the United States, it is for our Commander in Chief and our experts in the land to get food to the mouths of those who hunger.

Does our fleet close in only on the night of battle? Does it ply the Baltic and the Mediterranean loaded only for bear? Why cannot the Commander in Chief order the fleet to load up and stand offshore in the Baltic with food on board? Why cannot the Commander in Chief through an officer on board one of our ships in the Baltic signal to the people of Poland, signal to the people in Gdynia, in Danzig, in Stettin and in Koenigsberg, to "Come and get it, the food is yours." Let the President say, "the people of the United States want you to have food. The people of the United States want you, the Poles, you who were the first to fight for our cause, you the Poles who helped us smash the Axis, and who now writhe in hunger under Cossack officers who swing at you with hammer and sickles. We the people of the United States, through our Commander in Chief, want you to have that food. Here it is."

Then, let the responsibility for the denial of that food to the mouths of those who hunger be squarely placed.

But let the President speak out, not at Geneva, not at the United Nations, but at Gettysburg or the White House.

One wishes that the President, ill as he might have been, had raised a finger and simply said to the Kremlin—whose officers command the Polish Army—"Kremlin, what is the story on the Poznan uprising? Kremlin, what are you doing about the satellites?"

One wishes that the President had done that. The people of the country would feel very happy, for it is a humanitarian gesture, is it not, for the White House to make an inquiry about a nation in difficulty? It was not done.

There is time, Mr. President, there is time for the White House to hearken to the spirit of our boys who, as they lie in Flanders Field, seem yet to say, for mankind everywhere—

WE ARE THE DEAD

Short days ago we lived, felt dawn, saw sunset glow,
Loved and were loved, and now we lie in Flanders Field.

Take up our quarrel with the foe:
To you from failing hand we throw the torch;
be yours to hold it high.
If ye break faith with us who die,
We shall not sleep, though poppies grow in Flanders Field.

That is the spirit of Old Glory, Mr. President. It is our spirit, yours and mine. It is the spirit of this House and of all the people in the land, is it not?

It is the spirit of the people in Poland. Let us tell them we know it to be so. For their dead speak to them as do our dead. Mr. President, do they not?

Mr. POAGE. Mr. Chairman, I yield 2 minutes to the gentleman from Ohio [Mr. HAYS].

Mr. HAYS of Ohio. Mr. Chairman, I tried to ask the gentleman from Colorado a question, but he would not yield.

Mr. HILL. Mr. Chairman, will the gentleman yield?

Mr. HAYS of Ohio. I am not going to yield to the gentleman; the gentleman did not yield to me.

Mr. HILL. I yielded to you, but you left the floor.

Mr. HAYS of Ohio. I did not leave the floor; I have been here all afternoon. I tried to ask the gentleman from Colorado [Mr. HILL] a question and he said: "You had better be thinking about it yourself instead of asking me." I profited from his observation and probably anything I have thought of will be more fruitful than his discussion.

I just want to say with regard to the gentleman's proposals, that no matter what he proposes to do he cannot give me any satisfactory answer, and I have listened to witnesses in closed-door testimony, but none can say how they are going to get this stuff to the people without going through the Communist government. And if you go through the Communist government they are going to distort it, they are going to relabel it, they are going to take the credit for it.

When in 1949 I was in Yugoslavia I saw what happened to the milk we sent there through UNICEF. We visited a school in Zagreb where the children were drinking milk. After they had drunk it they sang a song of thanks to Tito for the

milk; yet that was the very milk that we were giving them.

What you are going to do if you adopt this plan is to strengthen these despotic governments which hold these people in slavery, you are going to help fasten it on them with tighter bands.

As a matter of fact I introduced a resolution just today asking this Congress to request the State Department to withdraw recognition from that bloodstained so-called government of the so-called People's Republic of Poland.

If you give the State Department the power to barter with them I think you are giving that government a stature in the eyes of their people and in the eyes of the world that they do not deserve.

If the gentleman from Colorado wants to get some more time he can come down here in the well and tell the House just exactly how he proposes to get that food to these people who want it, and God knows I want to see them have it, but how can we get it over there and get it to them without going through the Communist government?

Mr. HOPE. Mr. Chairman, I yield 5 minutes to the gentleman from Texas [Mr. DIES].

Mr. DIES. Mr. Chairman, I hesitate to intrude myself in this debate because I have had no opportunity to study this subject as have the members of this committee. I did, however, discuss the matter with a representative of the State Department, and I recognize that there are two sides to this question. I have given it very careful consideration, and I am convinced in my own mind that we should not authorize the trade with the satellite countries.

I am reminded of the words of an old Roman senator who on the floor of the Senate of Rome said: "An empty belly hath no ears."

The truth is that the Achilles' heel of the Soviet Union is its inability to furnish the people under its control and domination with the necessary food and fiber. The greatest weapon we have today is the fact that all over the Communist world people are going hungry. Of course, I would be willing to use any of this surplus food to feed these starving people, and our Secretary of State offered to give to the people of Poland all the food they needed. But the Communist regime refused it. They refused it because they did not want to acknowledge their failure. The time will come, however, when they cannot refuse it. There is one thing that no government can control and that is the people when they are hungry, when they are starving. What the satellite countries want is trade for this food, to put it on a respectable basis. From a propaganda point of view it seems to me it would be far better for us to continue to make offers, to say we will give all the food that the starving people need. We will make it available to them in all of the free countries. But to barter with those Communist countries, to supply their governments with the things they need to strengthen them in this critical moment, in my opinion, would be to strengthen the Soviet regime.

This united front, to which the Communists are returning, was a very po-

tent weapon. Stalin used it successfully. One of the strategic mistakes of the Soviet Union was to scrap the united front. It proved very effective in all of the free countries of the earth. It was effective in the United States. Through that instrumentality, that device, the Communists were able to gain many adherents and dupes throughout the world. They are now seeking to return to it for strategic reasons. The principal reason they have for returning to the united front is the desperate need for food. They must make a decision either to reduce their armaments and to whittle down the gigantic war machine they have constructed to terrorize the world, or to starve their people. They find it impossible to maintain and strengthen this war machine and supply the millions of people under their control and domination with the food and the fiber which they desperately need.

So as an act of Christian charity and because I have a love for humankind, wherever they are, I would certainly be willing to tender to the peoples of the satellite countries surplus food, but I would not recognize the regimes that now dominate those helpless people by entering into trade agreements with them. I would hold fast and strong to our position because I am confident it is the great weapon that freemen and democracies now have in the world. If we will adhere to a policy of refusal to trade with them, not a refusal to offer our food and our help to their starving people but a refusal to put it upon a respectable basis of barter and trade with their tyrants, I am confident that in the months to come the Soviet Union will find itself in the same predicament that Napoleon faced, that Hitler faced, that every conqueror who ever usurped authority finally had to reckon with—hunger and want.

Mr. HOPE. Mr. Chairman, I yield 5 minutes to the gentleman from Mississippi [Mr. WHITTEN].

(Mr. WHITTEN asked and was given permission to revise and extend his remarks.)

Mr. WHITTEN. Mr. Chairman, Public Law 480 was passed by this Congress with the greatest of hope it would help solve our farm problem. It was passed at a time when these huge supplies of commodities were being pointed out as evidence that our farm program had broken down. At the time this law was passed it was clearly intended to be used as an additional means of relieving the problems coming from huge supplies that we had on hand, but which we had never offered for sale.

Most of you will recall that for about 3 years I have tried to point out that the Commodity Credit Corporation has had authority through these years to sell these commodities through normal channels for dollars, but would not use that authority. I think, looking back, in view of the way it has been administered we probably made a mistake in passing Public Law 480. And I voted for it. But we probably made a mistake, because I can see that it was used as a substitute for normal sales through normal channels at competitive prices and as a means to hold our commodities

off world markets so as to give an umbrella to expand production in foreign countries. The law to which this present bill is an amendment provides that 90 percent of the foreign currencies that are received through sales of those commodities are not even subject to the appropriation processes of the Congress. Even the other 10 percent the President can release. Evidence before our committee—and we had it investigated—shows that as we cut our own farmers down in acreage, foreign acreage has increased. Why? Because foreign currencies were being used to meet the needs of those countries, leaving their dollars free to buy tractors, farm implements, and machinery to go into the production of the very commodities that we were giving them. It means that American farm commodities have been used to put American farmers out of business. Why? Not under the intent of the act, not under the intent of the Congress, but because while we gave these commodities away—and every newspaper and magazine wrote about how to sell American farm commodities, limiting themselves to a discussion of Public Law 480—in the process we forgot about the age-old simple way of disposing of commodities, which is to offer them for sale for dollars through normal channels for export all as authorized under existing law. Secretary Benson insisted he could not sell if he tried. Finally he acted after 3 years and his experience has given conclusive evidence that I have been right all the time, and, may I say, has said so before our committee. He has sold some \$2 billion worth of commodities for dollars since we finally got him to offer them through normal channels at competitive prices. Listen to this: 3.5 million bales of cotton have been sold for dollars through normal channels, through our own businessmen, the finest exporters, the finest foreign-trade people in the world, in 6 months, after we finally got them to start.

I am not trying to destroy this bill at all. I do not think the first bill should have done the damage it did. It was in the administration and in its being used as a substitute, as a vehicle to take us out of world markets and hold an umbrella over foreign expansion. When we reach the appropriate place, I expect to offer this amendment:

Commodities disposed of under this act must be in addition to sales of such commodities in world trade through normal channels at competitive prices for dollars.

In other words, we say to Mr. Benson: It is all right; we are willing for you to give some of our commodities away, in view of the present situation largely caused by holding our commodities off world markets, but you cannot give away that which you refused to sell for dollars through normal channels. We ought to keep our own farmers in business.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from North Carolina.

Mr. COOLEY. The gentleman's amendment provides that the surplus commodities shall be in addition, and of the same kind going into these different

countries. Now, I do not know whether that is the language the gentleman refers to, but in the law it says, "In excess of the usual marketings of such commodities." That is the language that we wrote into 480.

Mr. WHITTEN. I tried to make it quite clear, that the intent of the original bill was good. I supported the bill. The intent was good. But, my amendment is somewhat different from that, in that my amendment calls on them to sell in world markets at competitive prices before they give away. The present act is a little broader in that the quantity going into that particular country shall be in addition to the quantity that normally would go in. This amendment goes a little further, but clearly says that we insist that they continue those normal sales at competitive prices.

Mr. COOLEY. The basis of the gentleman's argument is that the administration should ignore the real language and the purpose and intent of the law. What encourages the gentleman to believe that they will not ignore the language contained in the gentleman's amendment?

Mr. WHITTEN. Because for 6 months they have been selling competitively, and I want to see this effort of the last 6 months continued. I would have us say: Do not give away without being willing to sell.

Mr. HOPE. Mr. Chairman, I yield 2 minutes to the gentleman from Ohio [Mr. FEIGHAN].

Mr. FEIGHAN. Mr. Chairman, I am opposed to the proposed amendment to section 304. I am opposed to people making a fast buck at the expense of our national security. This amendment will bring about a situation in which the bounty of our free agricultural system will be bartered against the products of the slave labor camps of the tyrannical Communist regime.

The reason I am opposed to it is that we will be in the first instance trading against the products of slave labor camps of the tyrannical Communist regimes; and if we do provide Communists with food—and the Communists have always used food as a political weapon and even as a weapon of war—we will be making more firm their tyrannical hold upon the enslaved people.

It is patently clear to me that when we barter these agricultural commodities with the Communist-dominated countries, we certainly must expect that they will be using those commodities at the behest and the direction of the Kremlin. So we are really just opening up the back door for the Russians to use our agricultural surpluses and we are not facing the real issue. So I certainly hope that this amendment will be defeated.

This proposed amendment is contra to the basic purpose and intent of the Mutual Security Act. Through that legislation we intend to help free nations to remain free and to expand the influence of human freedom. This proposed amendment would counteract all the good we are attempting to do through the mutual-security program. To me, this is an intolerable inconsistency.

I hope this proposed amendment will be defeated.

Mr. JUDD. Mr. Chairman, would the gentleman yield?

Mr. FEIGHAN. I am glad to yield to the gentleman from Minnesota.

Mr. JUDD. The gentleman spent a great deal of time with a subcommittee in Europe studying these Communist regimes at first hand. Does he believe that any of this food could conceivably get into the stomachs of the poor, tragic people in Poland, for example, who have been rising against their government?

Mr. FEIGHAN. I think very definitely not. And if it did, it would be at such an outrageous cost to them that they probably could not even afford it.

Mr. HOPE. Mr. Chairman, I have no further requests for time.

Mr. COOLEY. Mr. Chairman, I have no further requests for time.

The CHAIRMAN. The Clerk will read. The Clerk read as follows:

Be it enacted, etc., That section 103 (b) of the Agricultural Trade Development and Assistance Act of 1954, as amended (Public Law 480, 83d Cong.), is amended by striking out "\$1,500,000,000" and inserting in lieu thereof "\$3,000,000,000."

Mr. GROSS. Mr. Chairman, I move to strike out the requisite number of words.

(Mr. GROSS asked and was given permission to revise and extend his remarks.)

Mr. GROSS. Mr. Chairman, I know of no one who would not help starving people if they knew how they could be reached directly and effectively. I know of no one in this House Chamber who would not give all the aid and assistance possible.

The hungry people of Poland have been an issue before the House today. Mr. Chairman, I want to call your attention to the fact that according to the American Meat Institute 2,640,000 pounds of pork were shipped from Poland into this country during February of this year. This was 94 percent more than the amount imported during February 1955. The institute also reported that during all of last year 13 percent more hams came into the United States from Poland than during 1954, 22,359,000 pounds against 19,717,000 pounds.

In terms of ham imported during 1955 it represented about 1,175,000 marketable hogs in the United States. With the people of Poland hungry, why don't they keep these hams at home, in Poland, to feed their people? Why do we permit Polish pork products to come into this country, thus helping deprive hungry people of food?

What kind of an arrangement would we be getting into under the terms of this bill if we use our surplus to feed the hungry people of Poland while they ship hams into this country? We would be paying both ways in that kind of a deal. And, of course, the people of Poland who are hungry would not get the food except upon the condition of subservience to the ruling Communists.

Last year, according to the Department of Commerce, Poland shipped to this country \$25,756,000 worth of all kinds of products. Almost \$20 million

of the \$25,756,000 represented canned pork products from Poland. We exported to Poland \$3,307,000 worth of all kinds of our products. Did somebody say we are going to barter with Poland? In other words, we apparently shipped American dollars to Poland last year to the extent of some \$22 million. They get mileage out of the American dollars back of the Iron Curtain, better mileage than we get on this side of the Iron Curtain, in dealing with our so-called foreign friends. If the people are starving in Poland, let them keep their ham at home. We do not need it in this country.

Incidentally, I want to say to the gentleman from North Carolina that when his bill comes up to finance the establishment of city markets, providing that the taxpayers of the entire country put up the money to build markets in the various big cities of this country, I will have an amendment to provide that no Polish ham, or agricultural products from any Communist-dominated country, can be sold in any of those markets.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from North Carolina.

Mr. COOLEY. Would the gentleman give us the figures again on the importation of Polish hams? The gentleman gave the figures a minute ago, but I did not want to interrupt him at the time.

Mr. GROSS. Yes. 22,359,000 pounds in 1955 alone.

Mr. COOLEY. Then we are carrying on commerce with Poland at this time?

Mr. GROSS. Yes, we are. I anticipate the gentleman's next question, and before the gentleman can ask it, let me say I have protested these imports time after time on the floor of the House and in letters to the White House.

Mr. COOLEY. Other Members of Congress have likewise protested it, but the fact is our Government is carrying on commerce with Communist Poland.

Mr. GROSS. That is exactly right.

Mr. DEVEREUX. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from Maryland.

Mr. DEVEREUX. I should like to compliment the gentleman for bringing to the attention of this body the case of Polish hams. I wrote to the Secretary of State just a few days ago suggesting we should not be a party to taking food out of Poland under the circumstances the people are living under today.

Mr. GROSS. I compliment the gentleman for his action. Let me reemphasize that Polish shipments of pork products to this country last year alone displaced the equivalent of 1,175,000 head of hogs in this country, according to the American Meat Institute. That also displaced a lot of corn and other feed grains that go into raising hogs to marketable weights, and thereby added to our surplus of feed grains.

Mr. COOLEY. May I ask the gentleman whether or not Secretary Benson has recommended any remedy for the problem the gentleman is now presenting and discussing?

Mr. GROSS. None that I know of.

Mr. COOLEY. The Polish hams are replacing the American hams in the American market?

Mr. GROSS. Not only that, but they are displacing, as I said before, substantial amounts of feed grains produced in this country.

Mr. COOLEY. I think the gentleman is probably correct.

Mr. MORANO. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from Connecticut.

Mr. MORANO. Does the gentleman know whether there is any duty on Polish ham, and if so, how much it is?

Mr. GROSS. No; I do not know whether there is or not. I resent any of it coming in under any condition, even one pound.

Mr. BURNSIDE. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from West Virginia.

Mr. BURNSIDE. I want to compliment the gentleman on the statement he made, and to reiterate that if we give this food it will be given to the Russians, because they collect the food in these countries. In this way we would be furnishing food for Russian troops in the satellite countries.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from Minnesota.

Mr. JUDD. As a sample of how benevolent these governments are toward their own people, when millions were actually starving in China, Communist China exported hundreds of thousands of tons of rice to Ceylon and other countries in exchange for rubber and other strategic materials. They took the rice out of the mouths of their starving people in order to procure weapons of war to use against our allies and ultimately against ourselves. Now it is proposed that we help such governments overcome their shortages of food so they can continue to do more of the same.

Mr. GROSS. Yes, and the British are shipping tractors, rubber, and other strategic materials to Communist China.

Mr. COOLEY. Mr. Chairman, I ask unanimous consent that the remainder of the bill be considered as read and open to amendment at any point.

Mr. CURTIS of Missouri. I object, Mr. Chairman.

The Clerk read as follows:

SEC. 2. Section 104 (h) of the act is amended by inserting the following language immediately before the period at the end of the section: "and for the providing of assistance to activities and projects authorized by section 203 of the United States Information and Educational Exchange Act of 1948, as amended (22 U. S. C. 1448)".

Mr. CURTIS of Missouri. Mr. Chairman, I make the point of order against all of section 2 that it is an appropriation on a bill by a committee not authorized to deal with appropriations.

In support of that statement, may I say that this is exceedingly technical and very difficult to follow. Nonetheless, by referring to the basic act, Public Law 480, with which this deals, we

find that it refers to foreign currencies and I quote, "which accrue to the United States under this act." Then refer to the specific section which states, "to use the foreign currencies which accrue." Then go right on down to section (h), to which this is an amendment. It states, "for the financing of." I submit this is obviously an appropriation. I might say that if this were only an authorization I would have no objection to it at all, but I do not believe this is a proper place to appropriate.

Mr. TABER. Mr. Chairman, may I be heard on the point of order?

The CHAIRMAN. The Chair will hear the gentleman.

Mr. TABER. Mr. Chairman, this currency unquestionably belonging to the Government of the United States, which it receives under the provisions of section 2 of Public Law 480, 83d Congress, and being turned over by the terms of section 104 for specific purposes is for other things or for anything that they desire to purchase.

Paragraph (a) provides for providing new markets for United States agricultural commodities.

Paragraph (b) to purchase strategic and critical materials.

Paragraph (c) to procure military equipment, materials and so forth.

Paragraph (d) for financing purchases of goods.

Paragraph (e) for promoting balanced economic trade among nations.

Paragraph (f) to pay United States obligations abroad.

Paragraph (g) for loans to promote multilateral trade.

Mr. Chairman, the adding of one more item for which the funds can be used constitutes an additional appropriation of these currencies which belong to the Government of the United States as a result of the operations under paragraph (a) section 2.

Mr. COOLEY. Mr. Chairman, may I be heard on the point of order?

The CHAIRMAN. The Chair will hear the gentleman.

Mr. COOLEY. Mr. Chairman, all of the money that goes into the financing of these programs have already been appropriated and turned over to the President to be used by the President. In the original act, he is given the right to barter. He is given the right to sell for local currencies. He is given the right to give away. This only provides that he can barter just as has been pointed out heretofore in the debate; one of the rights he now has is to barter. We say he cannot barter with the U. S. S. R. or North Korea or China, but that he can barter with all other countries in the world. So it is not an appropriation on legislation at all. The moneys have already been appropriated and now are in the hands of the President. Mr. Chairman, without unduly delaying the matter, may I point out the language. It says:

The President may use or enter into agreements with friendly nations or organizations of nations and use the foreign currencies which accrue under this title for one or more of the following purposes.

And following that is barter, which is one of those purposes.

The CHAIRMAN. The Chair would like the gentleman from North Carolina to comment on this question. Do we not acquire foreign currencies which belong to this Government, which we receive for selling commodities?

Mr. COOLEY. Certainly, we are acquiring foreign currencies, and the act provides for the use of those currencies by the President of the United States. One of the uses that he can use them for is (c) to produce military equipment, materials and so forth and services for the common defense.

The CHAIRMAN. The point at issue is whether the funds can be used without a further appropriation by the Congress.

Mr. COOLEY. Yes, Mr. Chairman, that is the question. But the point is, as I have pointed out, that the funds have already been appropriated and have already been used largely, and this act itself authorizes the increase of the authorization, but it does not authorize the President to use the foreign currencies or commodities for any purpose foreign to or in addition to the enumerated uses set forth in the act, one of which is to barter.

The CHAIRMAN. The Chair would like to inquire of the gentleman from North Carolina [Mr. COOLEY] if all the currencies previously acquired have been used by this Government.

Mr. COOLEY. They have been obligated. To the exact extent, I am not sure, but practically all of them have been obligated but not actually used. They are covered by gentlemen's agreements, some of which have not been fully consummated.

I would like to emphasize one point, if I may. The point of order is to the effect that we are adding to the enumeration of uses that the President could employ. We are not doing anything of the kind. Under the act we have a right to barter. That is what this provision authorizes him to do. We are only saying that he can barter with this money. The fact of the business is it might be considered a limitation because we limit the use of the money, in that he cannot use it in Korea or North China.

Mr. TABER. If the Chair will permit, this is not barter at all. It is the use of funds. The appropriations having already been established in section 104, that of course can be continued. But to add new money and appropriate money for other purposes that were not allowed in the first bill is beyond the rule, and it constitutes a new appropriation. Therefore, it is subject to a point of order because it comes from a committee other than the Committee on Appropriations.

Mr. CURTIS of Missouri. Mr. Chairman, might I add also that in the committee hearings witnesses testifying on the part of the executive department used as one of their arguments that this would give them additional funds.

Mr. COOLEY. Mr. Chairman, may I add one comment? The gentleman from New York [Mr. TABER] points out that we are adding something to the authority of the President by this amendment in the bill. Actually, I think some of these funds are now used in connection

with the school lunch program in Japan. They are being used in other countries in connection with the education of the children of those countries. Certainly we are not adding to the authority of the President. It is rather strange that an objection to giving authority to the President should come from that side of the aisle. I do not think this is subject to a point of order.

The CHAIRMAN (Mr. PRESTON). The Chair is ready to rule. The gentleman from Missouri [Mr. CURTIS] has made a point of order against section 2 of the bill, that this constitutes an appropriation. The bill under consideration by the Committee seeks to amend existing law known as Public Law 480 of the 83d Congress. In the pending bill it is clearly evident that a new activity is being created by the legislation. New authority is being granted in the handling of the foreign credit derived from the sale of commodities. Therefore, in the opinion of the Chair, it constitutes an appropriation. The Chair therefore feels constrained to sustain the point of order.

Mr. COOLEY. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. COOLEY. Would an amendment be in order that authorized the use of these funds to carry on the lunch program in Japan, which is now being carried on by the use of these funds? That is the point I made a moment ago, and the purpose of this is to do just that.

The CHAIRMAN. The Chair would pass on such a proposal if and when the proposal is made.

Mr. DODD. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. DODD. I have an amendment beginning at line 5. Is it necessary for the Clerk to read all of section 3 before I offer that amendment?

The CHAIRMAN. The Clerk should read section 3 before an amendment would be in order.

The Clerk will read.

The Clerk read as follows:

SEC. 3. Section 304 of the act is amended to read as follows:

"Sec. 304. (a) The President shall exercise the authority contained in title I of this act (1) to assist friendly nations to be independent of trade with the Union of Soviet Socialist Republics and with nations dominated or controlled by the Union of Soviet Socialist Republics and (2) to assure that agricultural commodities sold or transferred thereunder do not result in increased availability of those or like commodities to unfriendly nations.

"(b) Nothing in this act shall be construed as authorizing transactions under title I or title III with the Union of Soviet Socialist Republics or Communist China or North Korea."

Mr. DODD. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DODD: On page 2, strike out lines 5 through 18, inclusive and substitute in lieu thereof the following:

"Sec. 3. Section 304 of the act is amended by adding the following new sentence at the end thereof: 'Nothing in this or any other

act shall be construed as authorizing transactions under title I or title III with the Union of Soviet Socialist Republics or Communist China or North Korea, or with any other nation or area which is not a "friendly nation" as defined in section 107 hereof."

Mr. DODD. Mr. Chairman, the amendment which I have offered will make it clear that Congress has refused to authorize trade transactions with the Communist world.

It is as simple as that.

I believe that the issue which confronts us is one of the greatest importance. I do not remember many questions which have confronted us since I have been privileged to be a Member of the House which I consider to be equally important.

For we are deciding here today something more than an amendment to the Agriculture Trade Development and Assistance Act of 1954.

We are squarely facing the question of whether or not we have the will and the inner strength and the self-discipline to successfully resist communism.

If we pass this bill as it has been presented to us, we will have taken another step down the easy and comfortable road of complacency and materialism. For this bill asks us to forget all about the basic evil of communism and in a sense to accept it and to do business with it.

In one way this bill is deceptive and in a very real sense it is confusing.

I have listened carefully to the debate and I tried to understand the reasons advanced for its adoption by those who favor this measure.

I think it is accurate to say that the only reasons advanced for adoption of this measure by its proponents are: First, that it will permit us to barter food for strategic material; and second, that since we are willing to give food to the hungry people in the captive Communist countries, it is more sensible to barter it because we get something in return.

With respect to the deception and the confusion in this bill, let me point out that the language of the bill on a first reading would appear to constitute a firm stand against trading with the Communist world.

For the bill as it stands specifically prohibits transactions with the Union of Soviet Socialist Republics, Communist China, and Red North Korea.

This I say is a deception because under this bill the Government of the United States will be authorized to enter into barter relationships with the captive satellite countries which are part and parcel of the Red Russian, Red Chinese, and Red Korean axis.

When a captive Communist satellite is benefited, all of the Communist world is helped.

The confusion of which I speak lies in this: If it is logical and in the interest of the United States to barter food for strategic materials from the captive satellite countries, then it is as logical to do the same with the captor countries, Red Russia, Red Korea, and Red China. And the reverse is logical and true as well.

I deem it to be of great significance that no proponent of this measure has

talked about the strategic material which we will obtain from the Communist world under this program.

There have been only vague general references to strategic materials, but nothing specific has been offered.

If this subject has not been discussed in the interest of national security, then we should have been told so by those who advocate this measure.

The silence with respect to this aspect of the debate, I suggest, is ominous.

It sounds more like a poor excuse than a good reason for this legislation.

We do a lot of lip service to anti-communism.

We pass a resolution against the recognition of Red China without a dissenting vote.

We pass a resolution expressing our strong stand against the admission of Red China into the United Nations.

We do these things with a whoop and a holler.

These are good things to do, but they are easy things to do.

But we are really put to the test by the issue which confronts us at this hour.

Today in this House we shall decide whether we shall fall for the blandishments of trade and barter with communism for the material benefits accruing from it or whether we have the character and the self-discipline and the strong will to resist these enticements in the best interests of freedom and justice in the world.

Two years ago I doubt that this measure would have been presented to this House, and if it had been presented, I think there would have been no doubt at all about its defeat.

But something has happened to us, particularly in the last year, for we have been conditioned by the Communists for the debate in which we are engaged now.

The Communists, for at least a year, have been subjecting us to a program of moral disarmament.

We are ready now to seriously consider barter and trade with our avowed enemies.

We are ready now to strike another blow at the forces of freedom in the world.

We are prepared, I fear, to discourage and dishearten the brave freedom-loving captives of Communist tyranny.

This proposal is but another step down the treacherous road of cynical complacency which leads to disaster.

Mr. Chairman, we are told that we are engaged in a death struggle which presently has the name of cold war.

I believe that we are engaged in such a death struggle; that this is a cold war.

But I never heard of a side that hoped to win any kind of a war giving comfort and assistance to its enemy.

It has been argued here this afternoon that by entering into such a shabby barter arrangement, the United States will gain a propaganda advantage. This is a specious reasoning.

In the first place, anyone who knows anything about the Communist police state knows that the people are deprived of information of this kind.

One of our greatest handicaps in our struggle with the Communists is in this field of information, and I suggest that it is naive to believe that if we barter food with the Communists, the people held under Communist tyranny will be told the truth about the source of this food.

It has been argued that food barter is not essentially different from a gift of food.

Those who so argue ignore the fact that the Communists will gain great prestige and influence from the fact that the free world is willing to do business with them.

This will lend a kind of respect to the Communist tyrants, and they will use it very effectively in their pressure propaganda and in the struggle for the allegiance of men.

There is a vast difference between the people of the United States generously giving food and assistance to the hungry and needy people of the world and barter and trade arrangements between the United States and its avowed enemies.

This difference is self-evident, and it seems to me to be unnecessary to take the time of this House to labor this over today.

Every person within the sound of my voice knows that there is a difference and no amount of words can make it otherwise.

Perhaps we have forgotten a very fundamental fact in the course of this discussion.

That fact is that every one of these captive satellite countries has been the victim of Communist aggression and Communist tyranny.

In the course of World War II we promised these people that after the war had been won they would be given an opportunity to govern themselves.

This was one of the high purposes for which the free world fought.

But the fact is that every one of these captive countries was seized by force and power by the Communists, and they are occupied today by force and power, and the promises which the free world made have not been and cannot be fulfilled.

The slightest bit of comfort or assistance which we give to the Communist tyrants who hold these people in bondage is in some measure a confirmation of Communist oppression and a negation of our announced purposes.

Mr. DIES. Mr. Chairman, will the gentleman yield?

Mr. DODD. I yield to the gentleman from Texas.

Mr. DIES. The gentleman is making an unanswerable argument. I want to compliment him for it. Will the gentleman tell the House if his amendment will prevent trading with satellite countries?

Mr. DODD. It will, indeed, sir.

Mr. DIES. It ought to be adopted.

Mr. DODD. That is what it is intended for. The people of this country and of the free world are ahead of us. And when they hear what some people have been trying to do here today they will be shaken, distressed, and disturbed.

How in the world can we ask our friends abroad to resist this evil force in

the world when they discover that we are willing to peddle needed food to it.

Mr. DORN of New York. Mr. Chairman, will the gentleman yield?

Mr. DODD. I yield to the gentleman from New York.

Mr. DORN of New York. I agree with everything the gentleman has said and also with the comment made by the gentleman from Texas. But I still do not understand the effect of the gentleman's amendment. Would he explain the whole amendment so I can understand it? Frankly, I hope what the gentleman says the amendment will do it will do.

The CHAIRMAN. The time of the gentleman from Connecticut has expired.

(By unanimous consent (at the request of Mr. Judd) Mr. Dobb was allowed to proceed for 5 additional minutes.)

Mr. DODD. Mr. Chairman, this amendment simply makes it impossible to engage in any barter or trade or commercial traffic with any of the Communist-occupied countries, as well as with Communist Russia, Red Korea, and Communist China.

Mr. DIES. It will not prevent gifts?

Mr. DODD. Oh, no; it will not prevent gifts.

Mr. MASON. Does it prevent trade and bartering with the governments of these countries?

Mr. DODD. Yes. The language is "nations."

This amendment simply says:

Nothing in this or any other act shall be construed as authorizing transactions under title I or title III, Public Law 480, with the U. S. S. R. or Communist China or North Korea, or with any other nation or area which is not friendly nation as defined in section 107 hereof.

Section 107 means any country other than, first, the U. S. S. R.; or, second, any nation or area not dominated or controlled by a foreign government or foreign organization controlling the world Communist movement.

That is what it does. I think that is what so many of us have been trying to get done this afternoon.

Mr. MORANO. Mr. Chairman, will the gentleman yield?

Mr. DODD. I yield to the gentleman from Connecticut.

Mr. MORANO. Would that include Yugoslavia?

Mr. DODD. It does not spell out each nation. But, I assume it could very well be considered so.

Mr. COOLEY. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. COOLEY. Now that the gentleman has explained his amendment, I make the point of order that the amendment is not in order for the reason that the amendment says "this or any other act." No other act of Congress is before the House at the moment other than this act.

Mr. HAYS of Ohio. Mr. Chairman, I make the point of order that the point of order comes too late.

Mr. COOLEY. Let the Chair pass on that. The gentleman was just in the midst of explaining his amendment, and the amendment indicates that he under-

takes to put limitations on some other act of Congress. Now, his amendment, of course, is germane to the bill or to the act now under consideration, but I make the point of order that he has no right by this amendment to amend some unknown act of the Congress.

The CHAIRMAN. What is the basis for the point of order that the gentleman is making? Is the gentleman attacking the germaneness of the amendment?

Mr. COOLEY. As it is written, it is not germane to this act, because it is applicable to all other acts.

The CHAIRMAN. If the point of order is based on germaneness of the amendment, it comes too late, because debate has already been had on the amendment. The gentleman from Connecticut has addressed the House for several minutes on his amendment.

Mr. COOLEY. He tried to explain it.

The CHAIRMAN. The point of order comes too late. The gentleman will proceed.

Mr. DODD. Mr. Chairman, I do not care to take more time. I do not know that there is anything more I can say except that this is actually a matter of principle. Here we have an opportunity to say that we are really opposed to this evil force in the world, that we will not be tempted by this kind of an offer, that we will not help communism even if in so doing we get some slight material benefit from it.

Mr. LAIRD. Mr. Chairman, will the gentleman yield?

Mr. DODD. I yield to the gentleman from Wisconsin.

Mr. LAIRD. Would the gentleman explain what the difference is between the adoption of his amendment and the present law?

Mr. DODD. Yes. It contains words that are not in the bill offered here, and it is intended to do this: It will stop this business of trading with our enemies.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. DODD. I yield to the gentleman from North Carolina.

Mr. COOLEY. The effect of the gentleman's amendment is to nullify the entire section, is it not?

Mr. DODD. That is right. And, I say this respectfully to the chairman of this great committee—whom I respect and admire—I cannot understand the wording of that section as it is written—and it should be changed.

Mr. COOLEY. My point is, Why not offer an amendment to strike out the section?

Mr. DODD. Well, I think this will do as well. I thought of that. I think this is more clear, and I think it will better express the will of the Congress, and I think it will give the Members an opportunity to vote directly on this important issue. I think that is precisely the point.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. DODD. I yield to the gentleman from Minnesota.

Mr. JUDD. It is not only clear, but keeping that language in will do what the bill is supposed to do. It will reassure people all around the world that the United States does not come in and

spend billions of dollars on one hand to help people fight communism and on the other hand assist the very governments we are asking others to resist.

Mr. DORN of New York. Mr. Chairman, if the gentleman will yield, I thank the gentleman for his explanation. It satisfies me, and I hope his amendment is adopted.

Mr. DODD. I thank the gentleman.

Mr. COOLEY. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I want to make it perfectly clear that the effect of the pending amendment is to strike out, for all intents and purposes, the section which was drafted and prepared and presented by officials of the State Department and supported by Mr. Dulles, Secretary of State. I think Mr. Dulles thought that he was carrying out at least in part the recommendation of President Eisenhower which he submitted to the Congress on January 9 in his message on agriculture. In that message President Eisenhower advocated the outright repeal of this section. As I said, I have no pride in the provision, but I do not see how it could possibly do any harm, because we can now give the food to the starving people of Poland or to any other of the hungry people in any of the satellite nations. Now, if you can give it to them, you will be strengthening their economy to the extent that food will strengthen the economy of a country. The only proposition here is that Mr. Dulles proposes, in addition to giving them the food, that we barter it to them in exchange for some strategic material that we ourselves can use.

It seems to me that every argument that has been made against this provision can just as well be made against the existing authority which provides that the vital foods might be given away. It is just a question of whether you want to give it to them or whether you want to sell it to them in exchange for something of value to our country.

Mr. TUMULTY. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from New Jersey.

Mr. TUMULTY. Under the present law food can only be given if there is a need or a condition of disaster; is that right?

Mr. COOLEY. That is right.

Mr. TUMULTY. They just cannot give it to anybody, just for the sake of giving?

Mr. COOLEY. No. The President determines the need.

Mr. TUMULTY. Yes, but there has to be a need?

Mr. COOLEY. Yes. And we assume that there is a need or the officials in the executive branch of the Government will not make the offer.

Mr. TUMULTY. But it is not as the gentleman has stated that the present law is such that the Government could give the food regardless of need, just as a matter of policy.

Mr. COOLEY. No, the Government cannot do that. Furthermore, under this provision, the Secretary of State or some other official of the Government will first determine that the barter

transaction will not strengthen the war potential of the recipient nation.

Mr. TUMULTY. There has to be a showing?

Mr. COOLEY. There has to be a showing, yes. It further contemplates that someone negotiating the agreement pertaining to the barter transaction write the conditions of the transaction, one of which very easily could be that the food that we are making available shall be earmarked and identified and followed to its ultimate consumption. It might even provide that the Polish Government or other governments with which we would be dealing would agree to permit commissions of Americans to go there to supervise the distribution.

Mr. DONOVAN. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from New York.

Mr. DONOVAN. Am I to understand that the gentleman says that the law at present gives authority to the executive department to barter or sell to these countries, if they want to take a chance with them?

Mr. COOLEY. No. It gives them the right to sell for local currencies in any of the countries, and to give the food away any place in the world where it is needed on account of hunger.

Mr. DONOVAN. So that this bill, if passed, would be giving congressional approval to that; is that correct?

Mr. COOLEY. No; the existing law, which of course was passed by Congress, known as Public Law 480, gives the right to barter under certain conditions and to give away and to sell for local currencies. But under the present law they have no right to barter with unfriendly nations. This would give the right to barter with unfriendly nations in exchange for strategic materials.

Mr. FEIGHAN. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Ohio.

Mr. FEIGHAN. Is it not correct that it is virtually impossible for our Government to handle this food so that it will reach the people? I say that because after the First World War the Hoover Relief Commission which went to Russia was not permitted to distribute the food to the people on the basis of need and for this reason the Commission left Russia. The same condition obtains at the present time.

Mr. COOLEY. I can agree with the several gentlemen that we are facing difficulties. But again I say that the argument that the gentleman has just made may very well be made against the authority which now exists. I think it is very difficult to say that the food shall be earmarked so that the recipient will know where it came from.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman.

Mr. JUDD. I think it is very important to be clear on this. The implication has been made several times that the President can now give our surplus foods to unfriendly nations or to the satellite nations or wherever he wants to. That

is not the law. Under title II he can give to "any nation friendly to the United States in order to meet famine or other urgent relief requirements in friendly nations and to friendly but needy populations without regard to the friendliness of their government." We wrote that into the law for the very purpose of making sure that he could not give food to unfriendly governments as you now propose to do.

Mr. COOLEY. We wrote that into the law. That was written into the law by the same committee that drafted and reported this bill.

Mr. JUDD. That is right.

Mr. COOLEY. But we use the term friendly nations and friendly populations.

Mr. JUDD. That is the whole point. The President cannot give such aid to Poland; he cannot give aid to any other Communist government, even if there is dire disaster. Under the present law he can only give it to the friendly populations of such countries, as he offered to do the other day, through the Red Cross. My contention is that we do not need to and ought not to give him the authority to barter with unfriendly governments when he now has the authority to give to their needy populations.

Mr. COOLEY. Is the gentleman saying now Mr. Dulles had no right on behalf of our Government to offer food to the Polish people?

Mr. JUDD. No, I am not saying that. I am saying quite the opposite. He did offer it to the Polish people despite the unfriendliness of their government. That is the policy we have had for 2 years. It is beginning to get results. Let us stick to that policy and not weaken it or retreat from it at this time.

Mr. POAGE. Mr. Chairman, I move to strike out the last three words.

Mr. Chairman, I want to explain a matter that has now been raised twice by the gentleman from Minnesota. The gentleman points out that present law states that we can give food to friendly but needy people regardless of the friendliness of their government provided there is need in the country. He then seems to insist that there is no pressing need or emergency so far as food is concerned behind the Iron Curtain.

To emphasize the point I want to make, it seems to me that the gentleman from Minnesota must have a much higher regard for the efficiency of communism than I ever held, if he has the slightest idea that there is no continuous and perpetual want behind the Iron Curtain. I have always been led to believe that the populations of the satellite countries as well as of the Red countries themselves were in desperate condition. It seems to me the outbreaks in Poland recently rather clearly support that belief that there is substantial hunger in Poland and in other satellite countries today. Surely, conditions behind the Iron Curtain are such as to meet the requirements of the existing law to authorize the President to make gifts of food.

There are behind the Iron Curtain something like three-quarters of a bil-

lion people, some 4 or 5 times as many people as there are in the United States. The gentleman assumes that communism is caring for the wants of those people. I do not assume anything of the kind. I think it is perfectly clear that the want that is required by the present law as a criterion for giving away foods exists, and exists in large measure and to such an extensive degree that it would be utterly impossible for the United States ever to supply all of the needs of the people behind the Iron Curtain for an adequate diet. Consequently I repeat what I said some time ago, that under the present law the President of the United States has the power to practically clear out the warehouses of the Commodity Credit Corporation—to give all of our surpluses to the people behind the Iron Curtain, and that the only change this amendment would make in the present law is that he could ask for something in return if those people have something that we would like to have, whereas under the present law he cannot even ask for anything in return.

How impractical can you get when you suggest, "Oh, it is all right to give to these people, but we must not ask anything in return"? We of the Agriculture Committee are accused of bringing in some idealistic and rather visionary proposal. This committee has at least brought to you a sound proposition—a bill under which we will try to get something for what we are giving away. That is all that is involved before this House this afternoon. Do you want to continue a policy which authorizes us to give away almost everything we have in the CCC warehouses, or do you want to so amend the law that the United States can at least try to get something in return?

Mr. JUDD. Mr. Chairman, I move to strike out the last four words.

Mr. Chairman, I am utterly at a loss to understand how the gentleman from Texas or anybody else could have gotten the impression that I am suggesting there are not severe food shortages in the Communist countries. I have said several times that they do exist and that this is the Achilles' heel of the Communist movement. This is the one way by which enslaved peoples have demonstrated they can and that they have the will to weaken the governments over them. They have plenty of good land and good weather, yet they systematically do not grow enough, beyond what they need themselves, to supply the nation's needs. The industrial workers, the proletariat, those without property, the Communists can control. That is why they always preach the dictatorship of the proletariat. They can control the proletariat because they latter has nothing except the wages they get on Friday or Saturday night. They do not have a garden, or a few chickens or a pig. They do not have any extra grain put away under the floorboards. They cannot resist the power of their despotic governments because they do not have anything to fall back upon.

But while the individualistic and decentralized peasant grows enough to keep his own family alive, he finds ways not to grow enough more to supply the hated agents and armies with the fat of the

land, and those in the government bureaus, the tyrants at the top.

My argument this afternoon is that our President ought to have authority to give to needy populations, no matter how evil or unfriendly their government, when he can be sure that the assistance will go to those people. But it is self-deceiving and self-defeating for our Government to barter and trade with Communist governments and put into their hands, no matter what we get in return, the two essentials that they need above everything else—respectability and food. For it would enable them to use that food as a means of coercing into total and absolute subjection the people who are today trying to overthrow the tyranny.

Mr. Chairman, I have come before this House, I do not know how many times, to urge that we appropriate more money to carry on the mutual-security program around the world. I do not see how I could keep silent, no matter by how close a friend of mine a proposal is made, when that proposal, in my opinion, would enormously strengthen the very enemy that I have urged all of you here to vote billions of dollars to try to defeat.

Mr. HAYS of Ohio. Mr. Chairman, will the gentleman yield?

Mr. JUDD. I yield.

Mr. HAYS of Ohio. I would like to point out too, in support of the gentleman's argument, it is one thing that has not been touched on, the fact that they say the President can give this away but any time he has offered it, they have not accepted it.

Mr. JUDD. That is true.

Mr. HAYS of Ohio. And that has been because he has insisted that we have some supervision to see that it gets to the people and that the people know it comes from the United States. But, if they can barter this stuff, the Polish Communists or the Czech Communists or any others can take it and label it as their own, and they can tell the people, "This is what the Polish regime has produced for you." And it will strengthen their despotism.

Mr. JUDD. Certainly, actually, the program that we have had for 2 years has worked well. It has given good results. They are in trouble. Why in the world should we give up a winning formula at the very time that it is producing the result we want?

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. JUDD. I yield.

Mr. COOLEY. The gentleman's argument against the pending amendment could be very well made and just as well made against the present law.

Mr. JUDD. I am arguing for the pending amendment, not against it.

Mr. COOLEY. Yes; I meant to say the pending provision in the bill.

Mr. JUDD. The gentleman refers to section 3.

Mr. COOLEY. If food will strengthen their economy and increase their war potential, it does not make any difference whether we give it or sell it or whether it is obtained through barter.

Mr. JUDD. Oh, there is a world of difference.

Mr. COOLEY. I cannot see that. I wish the gentleman would clear that up and tell us what is the difference.

Mr. JUDD. Because under present law, food can be given only to the people in the satellite countries; in the new proposal our Government would furnish the food by barter to the governments. One helps the victims; the other helps the tyrants.

This is a struggle involving more than calories and more than guns. It is a struggle for the souls and hearts and minds of men. We are trying to win the confidence of people. For us to get food to the people may make them a little stronger. I want the hungry, needy people to be stronger; but I do not want to make stronger the Communist regimes over them. I want rather to strengthen the will and capacity of the people to fight the Red regimes. When you barter with their government, you strengthen the regimes—you do not help the people.

Mr. COOLEY. Suppose we can put an amendment in the pending bill directing our administrators to mark and to guard and to supervise the delivery of the food. Would the gentleman still be for it or against it?

Mr. JUDD. Of course, I would not be for it, because if we barter our food in exchange for their strategic materials, how can we require them to let us supervise the handing out of their food—they will have bought it; it is theirs.

Mr. COOLEY. You do not require it. Any barter transaction must have conditions written into the document. The gentleman knows that.

Mr. JUDD. Does the gentleman seriously believe the Communists would give strategic materials to strengthen us and then take our food and pass it out in such a way that we would get the credit for it, and not they?

Mr. COOLEY. Would the gentleman accept an amendment which would make it absolutely imperative and necessary that all of the food be earmarked and the delivery of it be supervised by an American commission? Would the gentleman not be for the provision with those safeguards?

Mr. JUDD. Certainly, I would not, because I would not want to do anything that would strengthen my enemy.

Mr. COOLEY. The gentleman just does not want us to get anything in exchange for what we give away.

Mr. JUDD. That is not the point. I do not want to strengthen my enemy. I do not think that we could possibly get enough strategic materials to balance the harm that would come from strengthening and building up and giving respectability to these tyrannies.

Mr. DIES. What the gentleman really believes is that you cannot do business with the devil.

Mr. JUDD. Of course, you cannot do business with the Communists. They live to isolate and destroy my country. To me the first requirement for survival is to be able to distinguish between one's friends and one's enemies. The division is quite simple. I am willing to support whatever will strengthen our friends and weaken our enemies. I must oppose

whatever builds up any enemy of my country. It is as simple as that.

Mr. COOLEY. I want to compliment the gentleman and pay tribute to him, and say that you have been very forthright and frank and honest in giving your opinion on the subject under discussion.

The CHAIRMAN. The time of the gentleman has expired.

Mr. HOPE. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I think it might be wise to consider for a moment what this amendment would do. The principal if not the only effect would be to prevent barter transactions with satellite countries behind the Iron Curtain. The fact is that we are doing considerable business with these countries now. The gentleman from Iowa [Mr. GROSS], told us how much pork we are getting from Poland. The President has made offers to give them food without taking anything in exchange. The only issue, as I see it, that is involved is whether we want to give the State Department the authority to make an offer to the Communist satellite countries, that will protect our interests and at the same time give us an opportunity to outmaneuver the Communist governments in these countries.

It seems to me that if we adopt this amendment we are tying the hands of our State Department to go out and set up situations which might have the effect of undermining Communist regimes behind the Iron Curtain, which may have the effect of building up dissension and discord between the people and their governments. I am in favor of giving our State Department and the administration all the authority they can use in making the best possible use of that great strategic weapon, our abundant food supply. I would not offer them a deal that would permit these governments to take advantage of us, but what I would do would be to offer them a deal that would provide that these goods must be distributed directly to the people of Poland, under the supervision of the United States or some agency it designated. They could take it or turn it down.

Mr. FEIGHAN. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield.

Mr. FEIGHAN. Is it not true that it is not going to be the State Department or the United States Government officials who will make this barter trade? The surplus commodities will be sold to individuals, partners or corporations, and they will make this barter deal.

Mr. HOPE. However it is done, the conditions certainly will have to be agreeable to the State Department.

Mr. MORANO. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield to the gentleman from Connecticut.

Mr. MORANO. The statement has been made here that food would strengthen any satellite government. Is it not true that the State Department made a direct offer to the Polish Government to give food to the Polish Government for distribution to its people?

Mr. HOPE. That is true.

Mr. MORANO. And it was turned down. If that would have strengthened the satellite government does not the gentleman suppose they would have accepted it?

Mr. HOPE. Certainly.

Mr. MORANO. Furthermore, if we permit the Secretary of State to make an offer based on conditions that he would lay down, would not that be a better bargaining point than just giving it to them?

Mr. HOPE. Certainly; I agree with the gentleman 100 percent, and that is the whole issue that is involved here.

Mr. RABAUT. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, I know what the situation is here on the floor, but I am taking this time to announce that I intend to propose an amendment. I am interested that the needy have food. We are talking about governments, we are also talking about weakened people. Others says if they are in a weakened condition they will rise again. No, they will be too weak for anything but to fall in their tracks.

My amendment would be to page 2, line 14, after the period insert the following:

In carrying out the purposes hereof the President shall designate persons or organizations as representatives of the United States to assure that the benefits hereunder are made available to needy persons in the countries with which agreements are consummated.

That puts it in the hands of organizations such as the Red Cross, or such as the President would wish to designate; In other words, we would have teams supervising the distribution of food to the needy where we want it to go.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. RABAUT. I yield.

Mr. COOLEY. I would like to see a copy of the gentleman's amendment.

Mr. RABAUT. I will be glad to give it to the gentleman.

Mr. Chairman, I yield back the balance of my time.

Mr. COOLEY. I do not think I will have any objection to it.

Mr. HAYS of Ohio. Mr. Chairman, I offer a preferential motion.

The Clerk read as follows:

Mr. HAYS of Ohio moves that the Committee do now rise and report the bill back to the House with the recommendation that the enacting clause be stricken out.

Mr. HAYS of Ohio. Mr. Chairman, this is not a pro forma amendment; I am serious about it. I think this is the way to dispose of this bill once and for all, and I hope the amendment will be adopted.

There has been a lot of discussion about this; as a matter of fact, the gentleman from North Carolina wanted to know if we would accept an amendment which would require these foodstuffs to be packaged and labeled to let the people behind the Iron Curtain and in the countries where we propose to send it, know where it is coming from.

I differ with the gentleman from Minnesota [Mr. Judd]; I would accept that amendment because that amendment

would kill the bill just as certainly as the amendment I am offering will kill it.

Why was it Poland did not accept our offer to give food to the people? It was because our offer had some strings tied to it that the Polish people would have to know from whence the food came. The Communists are not going to accept any offer to give them food or to barter them the food or to let them buy with their own currency or counterfeit currency, as far as that is concerned, if there is any provision in there that their people have to know where the food came from.

Mr. MORANO. Mr. Chairman, will the gentleman yield?

Mr. HAYS of Ohio. I yield to the gentleman from Connecticut.

Mr. MORANO. Then what danger is there in the amendment proposed by the committee? If the Secretary of State or any other agency is going to set down rules, they certainly are not going to say it came from China.

Mr. HAYS of Ohio. I think the gentleman has a point. He and I are in substantial agreement. The only difference is that the committee has not offered the amendment, and I do not know how much longer we will have to wait for the committee to offer the amendment. The gentleman agrees with me that that amendment will kill the bill. So why not just dispense with the bill now by striking out the enacting clause because you cannot do business with these Communist governments under any proposal of letting their people know that the free world is interested in their enslaved people. The minute the people behind the iron curtain in Poland or in Czechoslovakia, or in Hungary or any other country believe that the United States is interested in them to any extent at all, that Communist government is going to become more and more shaky. The only thing we are going to do if we pass this bill is to allow those countries to propagandize their people and say: "Look, the United States is willing to do business with us, the United States is giving stature to this Communist government, the United States is recognizing that we are the government of the people; the United States says that we are the legal government and you better sit down and pay attention to us."

Mr. DODD. Mr. Chairman, will the gentleman yield?

Mr. HAYS of Ohio. I yield to the gentleman from Connecticut.

Mr. DODD. That is precisely the point, the difference between barter and gift. I did not have the time to talk about that. We are giving it to them, they say, why not get something back. But when you get into the business of trading with them, you give them prestige, you give them influence so that they can use that for propaganda purposes on their people.

Mr. HAYS of Ohio. The gentleman is exactly right. His argument is very strong. I would even forego his argument if I thought there was one chance of any of this food getting to the people who need it, but whether you barter it, whether you give it to them, whether you accept counterfeit money for it, the

people are not going to know where it came from.

Mr. MORANO. The gentleman made the statement this amendment will give them prestige and this bill will give them prestige. The gentleman knows they have diplomatic representatives right here in Washington, so I do not see how we are giving them any extra prestige by this.

Mr. HAYS of Ohio. The gentleman is right as far as he goes. We have given them too much prestige altogether and I say we should not add to it by this bill because there is not going to be any good come of it. It is going to be a thing we will hear a lot about. It is going to weaken the desire and resolve of our own people in the United States to stand firm against these vicious, despotic governments which have blood-stained hands, which rule by force, murder, pillage and torture their own people and I do not think we ought to do anything to help them.

Mr. DORN of South Carolina. Mr. Chairman, will the gentleman yield?

Mr. HAYS of Ohio. I yield to the gentleman from South Carolina.

Mr. DORN of South Carolina. I think the gentleman from Ohio is right. It does not make any difference whether we have United States stamps all over the food, it will still go to the government controlled by the Communists. They will go out to their people and say: "Here is something from these suckers, but if you will stay with us we will give it to you." It is just like the old UNRRA.

Mr. HAYS of Ohio. The gentleman is right. It does not make any difference if we stamp our name all over it, they will put it in new bags, they will have the people believe it came through the Communist government and they, the Communists, made it possible.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. VORYS. Mr. Chairman, I rise in opposition to the motion to strike the enacting clause and in opposition to the pending Dodd amendment.

Mr. Chairman, the question involved here is what is the best way to use our food surpluses as a weapon in the cold war. Under the Battle Act, which is our fundamental act on this general question of Iron Curtain trade, and under this law, we can sell food now for dollars to the Iron Curtain countries, or we can give it to them. This merely gives us one other possibility, the possibility of barter. I helped to write the Battle Act, and one of its three purposes is: "To assist the people of the nations under the domination of foreign aggressors to re-establish their freedom." At the time of the Battle Act in 1951 there were many people who proposed that, since food is strategic, everything is strategic in a cold war, the carrying on of any trade at all between the Iron Curtain countries and ourselves and countries we are associated with should be forbidden. Then we found out that a lot of the countries of Europe and elsewhere had to rely on nonstrategic supplies, food, timber, coal, and so forth, from behind the Iron Curtain, and that we would either have to boost up our aid programs

or permit the continuation of non-strategic East-and-West trade, unless we wanted those countries to collapse. So, that is the basis on which the Battle Act is drafted. Therefore, agricultural commodities are available for dollars behind the Iron Curtain and they can be given there. But, here is a proposal that we enter into possible barter deals, and here is the way the Secretary of State describes what we are going to do. He does not say, as some of the previous speakers seem to imply, that we are going to do it in a way to add prestige to these governments which we detest. Here is what Secretary Dulles says, and I quote from page 10 of the report:

The peoples of these countries are frequently plagued with food shortages and dietary deficiencies. I believe that it would be helpful if they could know, in a concrete and dramatic way, of the bountiful fruits of a society of freedom, which free nations share on a normal basis.

Then he goes on to say:

The suggestions we make do not relate to trade with the Soviet Union itself nor do they relate to the establishment of a normal pattern of trade with the Soviet satellites which might serve either to strengthen the war potential of the Soviet bloc or to entrench the present order in relation to the satellite countries—an order which President Eisenhower and I have repeatedly said, to the Soviet rulers themselves, ought to be changed in the interest of peace and justice.

That is what this is going to be used for. If you think the Secretary of State and the President are going to back up on what they have said is their purpose in using this authority, then you will vote to scrap this bill, and vote for this amendment. If you think it is time that we confront the Soviets and their satellites when they claim they have a new look and want to have new friendly relations, and say: All right, now here is what we are willing to do; trade some food, provided you distribute it fairly, and let your people know where it came from; then you will vote down this amendment. Then they either accept it on the basis which does what President Eisenhower and Secretary Dulles want to accomplish, or they refuse it, and we will let their people know through the Voice of America and other ways on what basis we have offered it. That is why I am opposed to the pending motion to strike out the enacting clause as well as to the pending amendment.

Mr. HOPE. Mr. Chairman, will the gentleman yield?

Mr. VORYS. I yield to the gentleman from Kansas.

Mr. HOPE. If we strike out all after the enacting clause, that means that we strike out the entire bill and stop this entire program of surplus disposal, does it not?

Mr. VORYS. If we strike out the enacting clause we kill this beneficent program which would add a \$1.5 billion more for disposal of agricultural surpluses. We strike out the part that adds \$1.5 billion for this program, which has made a dent in our surpluses and demonstrates, as the Secretary of State says, the bountiful fruits of a society of freedom which free nations share on a normal basis.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. VORYS. I yield to the gentleman from North Carolina.

Mr. COOLEY. Funds have already been exhausted 10 days ago.

The CHAIRMAN. The question is on the preferential motion offered by the gentleman from Ohio [Mr. HAYS].

The question was taken; and on a division (demanded by Mr. HAYS of Ohio) there were—ayes 21, noes 80.

So the motion was rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Connecticut [Mr. DODD].

The question was taken; and the Chair being in doubt, the Committee divided, and there were—ayes 81, noes 53.

Mr. HOPE. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. DODD and Mr. COOLEY.

The Committee again divided; and the tellers reported that there were—ayes 92, noes 62.

So the amendment was agreed to.

Mr. DONOVAN. Mr. Chairman, this afternoon an attempt was made to drive an opening wedge and start trade and barter with Red China and the satellite nations by using our staggering agricultural surpluses as the wedge. Section 3 of H. R. 11708 before the House today would permit barter and sale of surpluses with Red China and satellite countries. The House rejected the proposal by adopting the Dodd amendment which specifically forbids such barter and trade. I supported the Dodd amendment. Yesterday an editorial appeared in the New York Daily News. It is an admirable statement of the reasons why the United States should avoid any kind of trade at this stage with the Reds.

RUSSIA: EXPERT TESTIMONY

The West has numerous experts on communism, and several times as many persons who think they are experts. If you're looking for a top-flight expert on the subject, and on dictatorship in general, you can do a lot worse than to consult Generalissimo Francisco Franco, ruler of Spain.

In the bitter 1936-39 Spanish Civil War, Franco fought Communists who had been trained and were largely directed by Red fighting men from Russia.

He learned a great deal about Red strategies, tactics and tricks. Since his victory in '39, the "Gissimo" has managed Spain largely by dictatorial methods, and has kept the Communist conspiracy pinned down.

Franco, then, should have some pretty useful ideas on the meaning of the Kremlin's new look—the smiles, the trips abroad by Red big shots, the endless chatter about peace and aid for backward countries, and the yells of "Stalin was a ringtailed so-and-so" which go to make up present day Soviet foreign policy.

These thoughts occurred recently to Harry F. Byrd, Jr., son of the eminent Virginia Senator and publisher of a couple of Virginia newspapers. Mr. Byrd wrote to Franco and asked his opinion on the new Soviet look. In reply, he got an impressive letter setting forth the Spanish dictator's views in detail. Byrd printed the letter in his newspapers.

Briefly, General Franco is not convinced that the new Kremlin policy is sincere, peaceable, or anything else Khrushchev, Bulganin and their cronies say it is.

Franco says that if all had been serene in Russia, Khrushchev and his pals needn't have cut loose with their campaign to make a devil out of Josef Stalin, whom they had helped make a demigod while he lived. They could have gone along doing reverence to his memory, thereby keeping Communists inside and outside Russia quiet and as happy as these people who live on hate can ever be.

AFRAID OF THE SLAVES

Instead, the present Kremlin bosses turned on Stalin's name and fame, and are currently describing him as a heel in spades-plus. By so doing, they have set Communists in a frenzy everywhere, and have weakened the party in all countries except possibly Russia itself. Why did they do it?

They felt forced to it, says Franco, "because somebody is attacking and attacking strongly." Nobody is attacking Russia from the outside. Therefore, this attack must be coming from inside the Red slave empire.

The recent uprising in Poznan, Poland, and the persistent reports of widespread unrest in Czechoslovakia, Hungary, and East Germany bear out this theory.

As Franco sees it, the Kremlin Reds are fighting for time to save their own hides from the wrath of their slaves. If they can do that, they will later renew their drive to enslave the entire world.

If Franco is right (and he is by no means the only westerner who sees the new Kremlin look this way), then it follows that here is a golden opportunity for the West to score heavily in the cold war, if not to win it. The obvious strategy would be to let the enemy stew in his own juice.

In stead of expanding trade with the Red Empire, our side could tighten its embargoes and enlarge its no-sales lists of specific goods.

WHAT WE COULD BUT DO NOT DO

We could refuse to receive delegations of Russian farm or building experts, or Russian musicians and actors, or Russian anything else.

Conversely, we could decline to let the Kremlin murderers build prestige at home and abroad by entertaining or having their pictures taken with prominent westerners, such as President Eisenhower, British Prime Minister Eden, French Premier Guy Mollet, et al.

If the United States wanted to get really tough, it could withdraw its recognition of Soviet Russia, extended by F. D. Roosevelt in a fit of idiocy in 1933.

Up to now, the West is using none of these devices for letting outraged human nature take its course inside the Red Empire. On the contrary, western leaders in the main seem bent on helping the Kremlin gang save itself.

All of which leads some people on this side of the Iron Curtain to wonder uneasily what's going to happen to the West in this cold war, after all.

Mr. McCORMACK. Mr. Chairman, I offer an amendment.

The Clerk read, as follows:

Amendment offered by Mr. McCORMACK: On page 2, after line 18, insert the following:

"SEC. 3. That it is the further purpose of this act to assist the United States cotton textile industry to reestablish and maintain its fair historical share of the world market in cotton textiles so as to (1) insure the continued existence of such industry, (2) prevent unemployment in such industry, and (3) allow employees in such industry to participate in the high national level of earnings.

"SEC. 4. (a) In order to carry out the purposes of this act the Secretary of Agriculture is authorized and directed to make available to textile mills in the United States during

the fiscal year ending June 30, 1957, and each of the 4 succeeding fiscal years not less than 750,000 bales of surplus cotton owned by the Commodity Credit Corporation at such prices as the Secretary determines will allow the United States cotton textile industry to regain the level of exports of cotton products maintained by it during the period 1947 through 1952. Cotton shall be made available to a textile mill under this act only upon agreement by such mill that such cotton will be used only for the manufacture of cotton products for export.

"(b) The Secretary shall announce, not later than September 1 of each year for which surplus cotton is made available under this act, the price at which such cotton is to be made available and thereafter for a period of 30 days shall accept applications from textile mills for the purchase of such surplus cotton. In the event the quantity of cotton for which application is made exceeds the quantity of such cotton made available for distribution under this act, the cotton made available for distribution shall be distributed pro rata among the eligible mills making application therefor on the basis of the quantities of cotton processed by such mills during the 3 calendar years preceding the year for which such distribution is made.

"SEC. 5. The Secretary shall promulgate such rules and regulations as may be necessary to carry out the provisions of this act.

"SEC. 6. No person shall sell or offer for sale in the United States any product processed or manufactured in whole or in substantial part from any cotton made available under this act. If the Secretary of Agriculture determines that any person has knowingly violated the preceding sentence, such person shall not thereafter be eligible to receive any cotton under section 2 for such period, not in excess of 3 years, as the Secretary of Agriculture shall determine. Any person who knowingly violates the first sentence of this section shall be liable to the United States in an amount equal to three times the amount paid for the cotton used in the product sold or offered for sale in violation of such sentence when such cotton was transferred to a textile mill under section 2. The Attorney General may bring civil actions to recover amounts which are due the United States under this section."

Mr. FORD. Mr. Chairman, I was on my feet at the conclusion of the reading of the amendment by the Clerk, and I would like to suggest and I do, that a point of order rests against this amendment. It is not germane to the bill.

The CHAIRMAN. Does the gentleman make the point of order?

Mr. FORD. I do make the point of order.

Mr. McCORMACK. Mr. Chairman, would the gentleman reserve the point of order?

Mr. FORD. I will be very glad to reserve the point of order to permit the majority leader to proceed.

The CHAIRMAN. The gentleman reserves the point of order.

The gentleman from Massachusetts [Mr. McCORMACK] is recognized.

Mr. McCORMACK. Mr. Chairman, as far as I know I have no textiles in my district. It is a well-known fact that the American textile industry, which is one of our most important industries, is in a bad way. I am sure argument is unnecessary to establish that fact. The question we should pass upon and determine is what action we can take to give equitable consideration to this impor-

tant activity which affords employment to tens of thousands of our people. It seems to me so far as the merit of the amendment is concerned that the argument is overwhelmingly in favor of the amendment. I am not going to go into any further argument because the facts are so clear and indisputable that if the amendment were before the House, I think each and every Member has a clear picture of the necessity that action of this kind be taken. It is a problem confronting textiles not only in one section of the country, but in all sections of the country, and is a basic problem. The amendment is a fair one. It helps agriculture in that it helps to solve some of the problems in connection with surplus cotton. Something has to be done for American textiles and an amendment of this kind is a step in the right direction, and it would not disturb our international situation. But, at the same time, it would be of invaluable assistance to the American textile industry. As I said, I do not have one textile mill in my district, but I am interested in the problems of the American textiles in all sections of the country. Up in New England, it is not a question of the textile industries moving South, but it is a question of the textile industries going out of business because they are unable to compete with the sharply increased imports from other countries.

Heretofore we have given other countries a decided advantage in the equalization fee. While there was an order just recently issued by the Secretary of Agriculture so that American textiles can purchase at the same price as foreign countries, nevertheless some compensatory consideration beyond that must be given in order for our great textile industry to exist.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. GROSS. I wonder if the gentleman would have any objection to my offering an amendment to his amendment to provide cutting off Polish hams and Czechoslovakian hams from coming into this country.

Mr. McCORMACK. Let us not get into that insofar as this is concerned at the present time.

Mr. GREEN of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. GREEN of Pennsylvania. I congratulate the gentleman for presenting this amendment. I think that all Members of the House realize that the textile industry today is a mighty sick industry. They have suffered under bills that we have supported vigorously, such as the Reciprocal Trade Agreements. I trust the gentleman's amendment will be agreed to.

Mr. McCORMACK. I thank the gentleman. In all frankness to my friend from Michigan [Mr. FORD], I want to concede that the point of order would lie. However, in view of the importance of the problem confronting our American textile industry, I hope my friend will not press his point of order.

Mr. FORD. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. Yes, I yield.

Mr. FORD. I can fully appreciate the serious problem confronting the textile industry in the United States. I have talked with many Members from the North and the South involving that perplexing problem. I specifically feel that there is need for some remedial action, but it does seem to me that it is unwise for us to consider on a bill of this sort an amendment that may have far reaching implications which are not known to many Members, since the amendment has not been considered by the committee. For that reason only I would say to the majority leader that I think this point of order should lie and that I should press it, and I hope that proper legislation by the proper committee would be taken up as soon as possible.

The CHAIRMAN. The time of the gentleman from Massachusetts [Mr. McCORMACK] has expired.

(By unanimous consent, Mr. McCORMACK was granted 3 additional minutes.)

Mr. McCORMACK. Mr. Chairman, may I say to my friend from Michigan that I thoroughly appreciate his position, and I am the last man in the House to make any comment on any Member exercising his rights under the Rules of the House. The gentleman is exercising his rights under the Rules of the House. On the other hand, in the closing days of the session there will be nothing done, in all probability, unless something like this is done.

I am interested in all segments of the American society and of our national economy, and I know of the tremendous difficulty that our textiles are laboring under, and behind them the tens of thousands of Americans who are unemployed. I did not idly offer this amendment. I took it up with the chairman of the committee and some of the other members of the committee. There is no surprise as far as the ranking members on the committee are concerned. I had hoped that no point of order would be made, so that the House could consider this on its merits because of the urgency of the situation. If the gentleman insists on his point of order, I want the RECORD clearly to show that I respect the fact that under the rules he has a right to do so. On the other hand, in the light of the emergency of the situation, I hope that the gentleman during this little colloquy of ours and the remarks I have just made, will recognize the importance and the urgent situation and will withdraw his point of order and let us consider the amendment and then let it be explored in the other body where they will have time, because if we do not do it now we are not going to do anything this session, as I see it.

Mr. FORD. As I understand, a bill similar to this amendment has been introduced and is before a committee in the other body.

Mr. McCORMACK. That is correct. Might I say there that this amendment is the bill that was introduced in the other body. I consulted with our former colleague, Senator MARGARET CHASE SMITH, who introduced it, before I in-

troduced my bill. I was reading it in the RECORD down in my hotel one night, as I read the RECORD every night. My bill is the same as hers, except I do not believe in emergency legislation in making it criminal if somebody violates it and is subjected to possible criminal prosecution and jail sentence; so I made section 4 civil rather than criminal. I have a lot of respect for our businessmen who have their own and other people's money invested and who are giving employment to Americans and the heads of American families.

So it is the same identical bill with the exception that the penalty section is changed to civil liability and penalty instead of criminal.

Mr. Chairman, I hope the gentleman will not press his point of order.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

(On request of Mr. FORD and by unanimous consent, Mr. McCORMACK was allowed to proceed for 3 additional minutes.)

Mr. FORD. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. Gladly.

Mr. FORD. I do greatly appreciate the kind attitude and the understanding point of view the gentleman takes toward my point of order. What disturbs me is this: I have heard concern expressed by many Members about the condition facing the textile industry for some months here. Apparently this emergency is not one that has arisen overnight but is one that has existed at least since January, since this Congress has been in session, and perhaps longer. If therefore the emergency is so acute it seems to me that proper remedial action in the usual course of events through proper committees could have been had, and it disturbs me that now in the closing days of this session we are called upon in this fashion to pass upon matter which may be controversial, which certainly is involved without adequate hearing before a proper committee. Under this situation and without trying to be critical of anybody, I simply say I am constrained to insist on the point of order.

Mr. McCORMACK. I may say to my friend before he makes his final observation that I really think it is now or never so far as any action is concerned. It is a very carefully drafted bill, it is a fair bill; it simply says that for the next 5 years the Secretary of Agriculture can sell to American textile manufacturers cotton to be fabricated for export purposes. The manufacturers file their applications and get their quotas. Not only will it help industry, but it is also going to help agriculture, and certainly it is going to help the American textile industry. That is simply what the amendment is, and if it is not acted upon now I am very fearful that we will not have any action this year.

Mr. FORD. Is it not true, though, even admitting that the bill with which this amendment is identical was drafted with greatest care and by a most competent individual, it does reflect the views

of an industry rather than the pros and cons that might be expressed by a different point of view?

Mr. McCORMACK. We are confronted with that same problem all the time in legislation.

Mr. FORD. But when that problem confronts us we have a forum where those who are for or against it have a chance to express their views. In this case that is not so.

Mr. McCORMACK. I may say I was very hopeful that no point of order would be made. Really I thought I had surveyed the situation, of course, not every Member, and I do not mean that any agreement was made but there was a sort of general conversation. I would like to assure the House that I have gone into this very carefully talking with key men. I did not consult the gentleman from Michigan.

Mr. FORD. There is no reason why you should have.

Mr. McCORMACK. There is no reason why I should not had I known the gentleman's interest.

I hope the gentleman will not insist upon his point of order.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

(By unanimous consent (at the request of Mr. FORD) Mr. McCORMACK was allowed to proceed for 1 additional minute.)

Mr. McCORMACK. Mr. Chairman, I am really pleading for a very sick American industry.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from Iowa.

Mr. GROSS. Now, here we are coming right back to foreign aid. We have given these foreigners the machinery to manufacture textiles, we have given them the money to teach them how to produce cotton and so forth. Apparently the gentleman wants us to pay again through subsidization of the textile industry in this country. That just indicates the fallacy that exists in connection with every foreign-aid bill.

Mr. McCORMACK. There are certain compensatory considerations that American industry is entitled to. I hope the gentleman will reconsider and not press his point of order. This is a sick industry and it needs immediate relief of some kind.

Mr. FORD. Mr. Chairman, despite my great affection and admiration for the gentleman from Massachusetts, and my awareness of the desperate situation some people say the textile industry is in, I am constrained to insist upon my point of order.

Mr. McCORMACK. Mr. Chairman, admitting that a point of order does lie, I would not ask the Chairman to pass upon it and in view of the fact the gentleman from Michigan insists upon his point of order, I ask unanimous consent to withdraw my amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. WHITTEN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WHITTEN: On page 2, at the end of page 2, add the following subsection:

"(c) The commodities disposed of under this act must be in addition to sales of such commodities in world trade through normal channels at competitive prices or dollars."

Mr. WHITTEN. Mr. Chairman, briefly I would like to explain what is involved here. In the original act it was provided that commodities sold under Public Law 480 for foreign currency must be in addition to our regular sales through normal channels.

The Department of Agriculture offered our commodities at the support level plus reasonable carrying charges, which, in effect, kept our commodities off the world market. So it left Public Law 480 as our only means of moving the commodities. That was contrary to the intent of the Congress in passing Public Law 480. It was intended that we keep our commodities moving through normal channels at competitive prices. I listened to the debate and I supported the bill.

For 3 years we have tried to convince the Department that they should not rely on Public Law 480 where we virtually were giving away our commodities but they should offer our commodities to world trade competitively. After 3 years of argument they have done so. They have sold \$525 million worth of cotton since the 1st of January by this means. Yet up until the 1st of January they had not sold any cotton of any consequence, except a few bales that were of extraordinary quality. They have in the last 2 years sold \$2 billion worth of commodities.

The point I make here in this amendment is that in figuring what we do under Public Law 480 you shall stay in the world market on a competitive price and what we sell for foreign currency should be in addition to what we sell on a competitive basis, because unless your prices are competitive you do not sell.

I hope the chairman of the committee will accept my amendment because it is clearly in line. I have tried to draw it in such a way as to not needlessly tie their hands but as clearly pointed out we should stay in the world markets and use this vehicle as an additional means of getting rid of the commodities.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from North Carolina.

Mr. COOLEY. I have no right, on behalf of the committee, to accept the gentleman's amendment, but as I understand the gentleman's amendment, it would not result in changing the law as it is now written, because the law as written contemplates sales in excess of the normal quantity of a commodity that is going into the particular market.

Mr. WHITTEN. I would say to the gentleman that I do not think my amendment would change the basic law but would clearly show that our intent in the law is considerably different from what used to be the position of the Department of Agriculture.

Mr. HOPE. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from Kansas.

Mr. HOPE. It seems to me there are at least three places in the bill where the matter that the gentleman includes in his amendment is already stated in a different way.

Mr. WHITTEN. That could be, and I am frank to say in a way it is covered, but having had 3 years of experience in trying to get them to carry on on a competitive basis, having worried the House on hundreds of occasions trying to make my point, creating a sales organization within the Department and setting up sufficient money for it, having all that background, I feel that the Congress would be taking a forward step putting this language in the bill where it is not misunderstood, because, believe me, it has been for 3 years.

Mr. HOPE. I am not objecting to the gentleman's amendment, but I think the whole matter is covered in existing legislation.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Mississippi [Mr. WHITTEN].

The amendment was agreed to.

Mr. POAGE. Mr. Chairman, I offer an amendment:

The Clerk read as follows:

Amendment offered by Mr. POAGE: Page 2, following line 18, add the following new section:

"SEC. 4. Sales under title I of the act shall be exempt from the requirements of the cargo preference laws (Public Res. 17, 73d Cong. (15 U. S. C. 616a) and sec. 901 (b) of the Merchant Marine Act, 1936 (46 U. S. C. 1241 (bb))."

Mr. POAGE. Mr. Chairman, I submit this just as a proposition of common-sense. If we are going to be sending food abroad to help poor people, we ought not to burden it with extra expense. The present law does burden it with extra expense, and this amendment enables it to get there in the cheapest way.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas [Mr. POAGE].

The question was taken; and on a division (demanded by Mr. POAGE) there were—ayes 30, noes 50.

Mr. POAGE. Mr. Chairman, I demand tellers.

Tellers were refused.

So the amendment was rejected.

Mr. MATTHEWS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MATTHEWS: Page 2 following line 18 add the following new section:

"SEC. 4. Sales of fruit and the products thereof from privately owned stocks under title I of the act shall be exempt from the requirements of the cargo preference laws (Public Resolution 17, 73d Cong., 15 U. S. C. 616 (a) and sec. 901 (b) of the Merchant Marine Act, 1936, 46 U. S. C. 1241 (b))."

Mr. MATTHEWS. Mr. Chairman, this amendment excludes from the provisions of the cargo preference laws fruits and their products. It is my understanding, Mr. Chairman, that there are no American flagships at the present time that have facilities for carrying a cargo of

fruits and their products. In other words, this amendment is a delimiting amendment to the one offered by the gentleman from Texas [Mr. POAGE]. It is my sincere understanding that there is no particular objection to this amendment.

Mr. BONNER. Mr. Chairman, will the gentleman yield?

Mr. MATTHEWS. I am delighted to yield to the gentleman from North Carolina.

Mr. BONNER. Mr. Chairman, I want to have a little clearer understanding of this amendment. It happened that I was not on the floor when the previous amendment was offered. I had more or less agreed to this amendment, but if this amendment is a step in the direction of the previous amendment, I think we can defeat it in the House at the present time.

Mr. MATTHEWS. Mr. Chairman, I want to say this. I have been very sincere and candid about my amendment. I did not know about this other amendment. I want to assure the gentleman that the amendment speaks for itself and that I have no ulterior motives in offering it.

Mr. ROOSEVELT. Mr. Chairman, would the gentleman yield?

Mr. MATTHEWS. I am glad to yield to the gentleman from California.

Mr. ROOSEVELT. I should like to advise the gentleman that I am going to offer an amendment to this amendment in order to overcome the objections which have been voiced. In essence what I shall offer is that if American cargo vessels become available and that is certified to by the Secretary of Commerce, the gentleman's amendment shall not be operative any further.

Mr. MATTHEWS. I shall be delighted to accept the gentleman's amendment.

Mr. BONNER. Mr. Chairman, would the gentleman yield further?

Mr. MATTHEWS. I yield to the gentleman further.

Mr. BONNER. This applies only to fresh fruits, does it?

Mr. MATTHEWS. The amendment says fruits and their products. It would be further delimited by the amount of the products that go to these countries. Please remember that this refers only to the provisions of Public Law 480. There are very few cargoes of fruits and their products going. In fact, I doubt if 1 percent of the total amount of the goods that would be shipped under Public Law 480 would be represented by fruit.

Mr. SHELLEY. Mr. Chairman, will the gentleman yield?

Mr. MATTHEWS. I yield to the gentleman from California.

Mr. SHELLEY. When the gentleman says "fruits and their products" does he construe that to include canned fruit?

Mr. MATTHEWS. No, sir; I do not.

Mr. SHELLEY. Does not the gentleman think that some department might so construe it? Would not canned fruit be a product of fresh fruit?

Mr. MATTHEWS. It is my understanding that this problem has come up only in the case of fresh fruits.

Mr. SHELLEY. Then why does not the gentleman so word his amendment to restrict it to fresh fruit, together with the limitation proposed by the gentleman from California [Mr. ROOSEVELT]? In that case I am sure there would be no objection. But if the amendment includes fruits and their products it might mean fruit in any form and there probably would be opposition to that.

Mr. MATTHEWS. If the gentleman from California [Mr. ROOSEVELT] would add whatever language he thinks would best fit the situation, I should be glad to accept it.

Mr. MILLER of California. Does not the gentleman realize that fruit and their products would include dried fruits? Is it the gentleman's intention to include dried fruits?

Mr. MATTHEWS. No, sir. I do not believe we would find any of that kind of cargo shipped.

Mr. MILLER of California. Would the gentleman be willing to alter his amendment so that it would include fresh fruits only?

Mr. MATTHEWS. As I have indicated, if the gentleman from California, [Mr. ROOSEVELT] would cooperate during this colloquy to which the change in the language of his amendment, I should be inclined to accept such change.

Mr. GROSS. Mr. Chairman, would the gentleman from Iowa.

Mr. MATTHEWS. I yield to the gentleman yield?

Mr. GROSS. Would any of those tankers that slipped through the House the other day be involved in this?

Mr. MATTHEWS. I do not believe so; no, sir.

Mr. HOLMES. Mr. Chairman, would the gentleman yield?

Mr. MATTHEWS. I yield to the gentleman.

Mr. HOLMES. Is it not true that this amendment, as offered, is contained in a bill as it passed the other body?

Mr. MATTHEWS. That is true. It is my understanding that this provision passed the other body. The very able representatives of our great merchant marine agreed to it. That is my understanding. Again, I am trying to be just as sincere and candid as I know how.

Mr. BONNER. Mr. Chairman, would the gentleman yield further?

Mr. MATTHEWS. I yield to the gentleman.

Mr. BONNER. Would fruits and their products include wines and spirits?

Mr. MATTHEWS. Being a teetotaler, sir, I cannot answer that.

Mr. BONNER. I am just trying to ascertain how far the gentleman's amendment would go. Would the gentleman be willing to limit it to fresh fruits?

Mr. MATTHEWS. Yes, sir. As far as the gentleman from Florida is concerned, he certainly would. There are other proponents of this amendment and I cannot speak for them, of course.

The CHAIRMAN. The time of the gentleman from Florida has expired.

(Mr. MATTHEWS asked and was given permission to proceed for 5 additional minutes.)

Mr. PHILLIPS. Mr. Chairman, will the gentleman yield?

Mr. MATTHEWS. I yield to the gentleman from California.

Mr. PHILLIPS. The gentleman said, Would this be confined to fresh fruits? Would the gentleman include in that fresh and frozen fruits, because it is a question of the ability of the merchant marine to handle those?

Mr. BONNER. You can use reefer service for fresh fruits and frozen fruits.

Mr. MATTHEWS. I had that in mind.

Mr. BONNER. Yes, I know that is what the gentleman was referring to.

Mr. HOLMES. Mr. Chairman, will the gentleman yield?

Mr. MATTHEWS. I yield to the gentleman from Washington.

Mr. HOLMES. In the category the gentleman mentioned, fresh and frozen fruits, the reefer service many times includes dried fruits or fruits necessary to be refrigerated in transit.

Mr. HORAN. When we had the trip-lease bill up recently the matter of fresh and frozen fruits was discussed, and it was explicit that the words "fruit products" would be a little broad in this case.

Mr. ROOSEVELT. Mr. Chairman, I offer an amendment to the amendment.

The Clerk read as follows:

Amendment offered by Mr. ROOSEVELT to the amendment offered by Mr. MATTHEWS: Add the words "fresh and frozen" before the word "fruits", and at the end of the proposed amendment eliminate the period, insert a comma, and add the words, "excepting for such shipments as the Secretary of Commerce shall have made a finding that American-flag cargo vessels are available and qualified to make."

Mr. MATTHEWS. I am delighted to accept that amendment, Mr. Chairman.

The CHAIRMAN. The question is on the amendment to the amendment.

The amendment to the amendment was agreed to.

Mr. BYRNES of Wisconsin. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I do this only to make an inquiry of the chairman of the Committee on Merchant Marine and Fisheries. It has always been my understanding that this preference act could come into play only where American vessels were available. If there were not any vessels available, then the Department did not have to pay any attention to that part of the law.

Mr. BONNER. That is correct.

Mr. BYRNES of Wisconsin. That being the case, my understanding here is that we have no American reefer ships carrying the American flag. Is that correct?

Mr. BONNER. Yes; we have American reefer ships.

Mr. BYRNES of Wisconsin. That carry fresh and frozen fruits?

Mr. BONNER. In the Pacific area we have ships capable of furnishing reefer service. As to the south Atlantic coast, I think it is questionable that there are reefer ships available.

Mr. MATTHEWS. It is my understanding that before the war most of the fruits were shipped to the United Kingdom and the Scandinavian countries. It is my understanding that the

facilities are just not available now to ship them.

Mr. BYRNES of Wisconsin. That being the case, that there are no reefer accommodations available on the east coast to take care of the situation as far as the Florida oranges are concerned, yet there is going to be shipment of those oranges overseas to Europe, and this provision we are talking about, which says they shall use American bottoms, says they shall use them if they are available. Assume that they are not available, so the point is—what are we worrying about?

Mr. BONNER. Fifty percent of the cargo they could use for this part of the cargo to go in foreign vessels and balance it off with other types of cargoes so as to reach 50 percent.

Mr. MILLER of California. Mr. Chairman, will the gentleman yield?

Mr. BYRNES of Wisconsin. I yield. Mr. MILLER of California. There is a good deal of reefer space or refrigerator space in the so-called berth ships that are carrying this type of cargo from the east coast. Of course, that goes into the 50-50 provision.

Mr. BYRNES of Wisconsin. I thank the gentleman.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Florida [Mr. MATTHEWS] as amended.

The amendment, as amended, was agreed to.

Mr. COOLEY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. COOLEY: Page 2, following line 18, add the following new section:

"SEC. 4. Section 201 of the act is amended by inserting after the word 'urgent' wherever it occurs in said section the words 'or extraordinary'."

Mr. COOLEY. Mr. Chairman, the purpose of this amendment is entirely for the purposes of clarification. There has been some question apparently with regard to the language of the act, section 201, which provides:

In order to enable the President to furnish emergency assistance on behalf of the people of the United States to friendly peoples in meeting famine or other urgent relief requirements, the Commodity Credit Corporation shall make available to the President out of its stocks such surplus agricultural commodities—

And so forth. I propose to insert the two words "or extraordinary" after the word "urgent" as it appears in this particular section in two places. The idea being that there is some question as to whether or not these foods can be used for the relief of refugees except on an immediately urgent basis. There are many of them in the Arab world and other places in the world that are in need of food that we now have in storage. I do not know that there is any objection to the amendment. I have not presented it to the committee, but I present it now believing that it is in the best interest of the program. I hope it will be adopted.

Mr. Chairman, I would like at this point to compliment the gentleman from Massachusetts [Mr. McCORMACK] not only for his great interest in all farm legislation and all farm problems and

in all bills reported by our Committee on Agriculture, but also I wish to compliment him for his great interest in the welfare of the workers in the textile mills and the operators of the textile mills of our country. The amendment which he offered was not in order. He had discussed it with me and I think he had also discussed it with the gentleman from Massachusetts [Mr. MARTIN] the minority leader. I would like to place in the RECORD for his benefit and the benefit of the Members of the House a press release from the United States Department of Agriculture dated July 12, which indicates clearly that the Department of Agriculture has now embarked upon a program which will be beneficial to the cotton textile people of America and will enable them to better meet competition in world markets. I am under the impression that the proposal submitted by the gentleman from Massachusetts [Mr. McCORMACK] went very much too far, but certainly the Department of Agriculture has now announced a cotton export subsidy program for cotton and manufactured textiles. I hope it will be successful.

I want to point out further that the cotton-textile industry, while it is facing difficulties, has requested the present administration to use authority now in existing law, section 22 of the Agricultural Adjustment Act of 1938, but that authority has not been used to limit the export or to embargo exports from Japan or other countries.

There was a Japanese gentleman in Washington sometime in the spring. His name was T. Murayama, director of research of all Japan's Cotton Spinners' Association, from Osaka, Japan. He was here for the purpose of negotiating agreements with representatives of our own Government, looking to the imposing of some limitations upon Japanese imports into this country. He could not get an audience anywhere. No official of our Government would talk to him because they did not think they had authority to negotiate with representatives of a foreign government or a foreign textile manufacturers association for the purpose that the gentleman had in mind.

He came to my office sometime about the middle of April, and, after discussing the matter with me, I brought the matter to the attention of the House Committee on Agriculture and the Senate Committee on Agriculture, and we placed in the bill, which became Public Law 540 of the 84th Congress, 2d session, an authorization which authorizes clearly and definitely the President to negotiate with these representatives of the Japanese industry, with the idea of limiting imports into our market.

I insert a copy of that act in my remarks:

[Public Law 540, 84th Cong., ch. 327, 2d sess.]

H. R. 10875

An act to enact the Agricultural Act of 1956

Be it enacted, etc., That this act may be cited as the "Agricultural Act of 1956."

AGREEMENTS LIMITING IMPORTS

SEC. 204. The President may, whenever he determines such action appropriate, negotiate with representatives of foreign governments in an effort to obtain agreements

limiting the export from such countries and the importation into the United States of any agricultural commodity or product manufactured therefrom or textiles or textile products, and the President is authorized to issue regulations governing the entry or withdrawal from warehouse of any such commodity, product, textiles, or textile products to carry out any such agreement. Nothing herein shall affect the authority provided under section 22 of the Agricultural Adjustment Act (of 1933) as amended.

Mr. COOLEY. If the administration does not use that authority, it is the fault of the officials of the administration. They have in section 32 the power to impose quotas or to limit imports. Now they have it to negotiate agreements. I hope they will start the machinery operating and that we will impose appropriate limitations on imports of Japanese manufactured goods.

I wish to read this letter from Mr. T. Murayama, which he addressed to me in April:

ALL JAPAN COTTON SPINNERS'
ASSOCIATION,
Osaka, April 17, 1956.

HON. HAROLD D. COOLEY,
Chairman, Committee on Agriculture,
House of Representatives, Wash-
ington, D. C., U. S. A.

DEAR MR. CHAIRMAN: I have just returned to Japan from my all too short visit to your country, and wish to take this opportunity to thank you for the time you gave me in discussing mutual problems relating to Japanese cotton textile imports into the United States.

Your thoughts and suggestions were conveyed to members of the Japanese textile industry, and have been received in the spirit in which they were given. Our members will undertake serious and well-deserved consideration to these proposals shortly.

My personal report stressed the cordiality of my reception in the United States and the generally sympathetic attitude expressed toward the plight of Japan and our textile industry. I found particularly pleasing the understanding which you, and Members of the Congress with whom I was privileged to speak, had of our problems and especially your good will for Japan, good will which I know my colleagues reciprocate.

The spirit of reasonableness which was so apparent in our discussions, I am sure, will result in the resolution of our problems to the satisfaction and benefit of both our countries. We pride ourselves that we can be natural allies in commerce as well as in international relations.

Again, thank you for the kindness you extended me during my recent visit in Washington.

Sincerely yours,

T. MURAYAMA,
Director of Research.

Mr. COOLEY. I also wish to read a statement issued by the United States Department of Agriculture on July 12, 1956:

UNITED STATES
DEPARTMENT OF AGRICULTURE,
Washington, July 12, 1956.

COTTON PRODUCTS EXPORT AID WILL BE EXTENDED THROUGH EQUALIZATION PAYMENTS

The United States Department of Agriculture announced today that assistance in the export of United States cotton products to be shipped on and after August 1, 1956, will be made available through cash equalization payments from the Commodity Credit Corporation to eligible exporters.

On May 21, 1956, the Department announced that the benefits of the previously announced export program for raw cotton

would be extended to cover exports of cotton textiles, cotton yarns, and spinnable cotton waste manufactured from American upland cotton. Under the raw cotton export program, sales of cotton from CCC stocks for export on or after August 1 are being made on a bid basis at competitive prices. Including acceptances announced on June 29, sales under this program have totaled nearly 2½ million bales.

Extension of the benefits of the export program to cotton products is designed to protect the competitive position of the domestic cotton industry in relation to sales of cotton products manufactured abroad from American cotton purchased at export prices. The current export sales prices are lower than domestic prices. The equalization payments will be based on the raw cotton content in the products exported.

Detailed operating provisions of the cotton products export program will be developed and announced in the near future.

The Department also announced today that the Commodity Stabilization Service, which will carry out program administration, will establish a special office in New York City to handle the program. This office will receive registration of export sales, take care of necessary inspections, make payments, and handle other administrative details of the new program.

The special New York office, which will be designated as the CSS Cotton Products Export Office, located at 290 Broadway, will be staffed and in operation by the August 1 beginning date for export activity.

The CHAIRMAN. The time of the gentleman from North Carolina [Mr. COOLEY] has expired.

Mr. JOHNSON of California. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I have listened to the majority leader's interesting discussion of the textile industry and the need for Government help to bolster and give support to a distressed industry; namely, the textile fabrics industry.

There is one place in South Carolina which pointed the way to bring prosperity to the textile industry without the help from the National Government.

Elliott Springs was and is the manager of the Spring Maid Textile Co. located in Lancaster, S. C. Elliott Springs was a noted aviator in the First World War. He flew with the English and has a marvelous record. When he returned from the war he did not want to go back into the cotton fabrics business with his father. Consequently he spent several years in New York and wrote several books which had a ready sale. Later he decided to go back and work with his father in operating the Springs Mills in Lancaster, S. C. He developed some ads designed to show what the Springs Mills could do in the way of making fabrics, and the various uses to which they could be put, including use for clothes, bedding, and other uses. Some of the advertisers and magazines that he called on to place his ads claimed that his style of advertising was too suggestive for their readers. But he did place a few ads that showed these fabrics made into women's clothes. The women shown in the ad whirled around so that some of the underclothing of the women could be seen. The idea was to show just what these fabrics could do in making women who wore clothes of these fabrics look attractive. Some of the companies to which he offered these ads thought they were too

sophisticated. A few of them took the ads. Then he continued to use this advertising, and he increased his customers who took the fabrics as shown in the ads.

Soon he had more advertising for his fabrics as clothes or as bedsheets and pillowcases than he could handle, because the output of his factory was not large enough to supply the orders. In other words he conducted a successful advertising campaign and in that manner he developed his business into a successful venture.

He told me in his own words about 2 years ago that inside of 5 years he had every single person selling fabrics in New York and all the magazines in New York that carried their ads asking him if they could buy some of his goods and get more of his advertising. That is the way he developed the fabric industry, just by advertising and showing what could be done. It is a tremendously remarkable record, because of his skillful operations of his textile factories and the use of clever ads to show the persons using the fabrics the many uses to which they could be put.

I think that is the way the New England people can likewise build up their fabric industry. Incidentally, we have quite a large fabric industry in southern California.

(By unanimous consent the pro forma amendments were withdrawn.)

The CHAIRMAN. The question is on the amendment offered by the gentleman from North Carolina.

The amendment was agreed to.

Mr. COOLEY. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I do not think there are any other amendments to be offered. Before we finish consideration of this bill I would just like to emphasize that even though the section which authorizes the barter transactions to satellite countries has been eliminated to all intents and purposes, the fact remains that this bill is of vital importance. Our Government, as I said during the debate, has obligated substantially all of the first \$1,500,000,000 and in addition has negotiated, we understand, many important transactions which cannot possibly be completed and consummated unless this additional authority is granted which is now provided in section 1 of the bill. I hope therefore no one will vote against the bill now thinking it is a bad or vicious measure, because certainly it is essential to the welfare of all of our people. It is vital to our foreign-aid program and to our foreign policy also that we authorize the increase to \$3 billion for the Commodity Credit Corporation, and I hope the bill will be passed and that this program can be carried on and expanded.

The CHAIRMAN. The time of the gentleman has expired.

Mr. COOLEY. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. PRESTON, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 11708) to amend the Agricultural Trade Development and Assistance Act of 1954, as amended, so as to increase the amount authorized to be appropriated for purposes of title I of the Act, and for other purposes, had directed him to report the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

The SPEAKER. Without objection, the previous question is ordered.

There was no objection.

The SPEAKER. Is a separate vote demanded on any amendment? If not, the Chair will put them en grosse.

The amendments were agreed to.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The question was taken and the Speaker announced that the Ayes appeared to have it.

Mr. DORN of South Carolina. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. The Chair will count. [After counting.] Two hundred Members are present, not a quorum.

The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 389, nays 6, not voting 37, as follows:

[Roll No. 104]

YEAS—389

Abbott
Abernethy
Adair
Addonizio
Albert
Alexander
Alger
Allen, Calif.
Allen, Ill.
Andersen,
H. Carl
Andresen,
August H.
Andrews
Anfuso
Arends
Ashley
Ashmore
Aspinall
Auchincloss
Avery
Ayres
Baker
Baldwin
Barden
Barrett
Bass, N. H.
Bates
Baumhart
Beamer
Becker
Belcher
Bennett, Fla.
Bennett, Mich.
Berry
Betts
Blatnik
Blitch
Boggs
Boland
Bolling

Bolton,
Frances P.
Bolton,
Oliver P.
Bonner
Bosch
Bow
Bowler
Boykin
Boyle
Bray
Brooks, La.
Brown, Ga.
Brown, Ohio
Brownson
Broyhill
Buckley
Budge
Burdick
Burnside
Bush
Byrd
Byrne, Pa.
Byrnes, Wls.
Canfield
Cannon
Carlyle
Carrigg
Cederberg
Celler
Chase
Chelf
Chenoweth
Chipewald
Christopher
Chudoff
Church
Clark
Cole
Cooley
Coon

Cooper
Corbett
Coudert
Cramer
Cretella
Crumpacker
Cunningham
Curtis, Mass.
Curtis, Mo.
Dague
Davidson
Davis, Ga.
Davis, Tenn.
Dawson, Ill.
Dawson, Utah
Deane
Delaney
Dempsey
Denton
Derounian
Devereux
Dies
Diggs
Dingell
Dixon
Dodd
Dollinger
Dolliver
Dondero
Donohue
Donovan
Dorn, N. Y.
Dorn, S. C.
Dowdy
Doyle
Durham
Edmondson
Elliott
Ellsworth
Engle
Evins

Fascell
Feighan
Fenton
Fernandez
Fino
Fisher
Fjare
Flood
Flynt
Fogarty
Forand
Ford
Forrester
Fountain
Frazier
Frelinghuysen
Friedel
Fulton
Gary
Gavin
Gentry
George
Grant
Gray
Green, Oreg.
Green, Pa.
Gregory
Griffiths
Gross
Gubser
Gwinn
Hagen
Hale
Haley
Hand
Harden
Hardy
Harris
Harrison, Nebr.
Harrison, Va.
Harvey
Hays, Ark.
Hays, Ohio
Hayworth
Healey
Henderson
Herlong
Heslton
Hess
Hiestand
Hill
Hillings
Hinshaw
Hoever
Hoffman, Mich.
Holifield
Holland
Holmes
Holt
Holtzman
Hope
Horan
Hosmer
Huddleston
Hull
Hyde
Ikard
Jackson
James
Jarman
Jenkins
Jennings
Jensen
Johansen
Johnson, Calif.
Johnson, Wis.
Jonas
Jones, Ala.
Jones, Mo.
Jones, N. C.
Judd
Karsten
Kean
Kearney
Kearns
Keating
Kee
Kelly, N. Y.
Keogh
Kilburn
Kilday

Kilgore
King, Calif.
King, Pa.
Kirwan
Klein
Kluczynski
Knox
Knutson
Krueger
Laird
Landrum
Lanham
Lankford
Latham
LeCompte
Lesinski
Lipscomb
Long
Lovre
McCarthy
McConnell
McCormack
McCulloch
McDonough
McGregor
McIntire
McMillan
McVey
Macdonald
Machrowicz
Mack, Ill.
Mack, Wash.
Madden
Magnuson
Mahon
Mailliard
Marshall
Martin
Matthews
Meador
Morrow
Metcalf
Miller, Calif.
Miller, Md.
Miller, Nebr.
Miller, N. Y.
Mills
Minshall
Morano
Morgan
Morrison
Moss
Moulder
Muller
Mumma
Murray, Ill.
Murray, Tenn.
Natcher
Nicholson
Norblad
Norrell
O'Brien, Ill.
O'Brien, N. Y.
O'Hara, Ill.
O'Konski
O'Neill
Osmer
Ostertag
Patterson
Pelly
Perkins
Pfof
Philbin
Phillips
Pilcher
Pillion
Poage
Poff
Polk
Powell
Preston
Price
Prouty
Quigley
Rabaut
Radwan
Rains
Ray
Reece, Tenn.
Reed, N. Y.
Rees, Kans.

NAYS—6

Colmer
Fallon

NOT VOTING—37

Bailey
Bass, Tenn.
Bell
Bentley
Brooks, Tex.
Burleson
Carnahan

Chatham
Clevenger
Davls, Wis.
Eberharter
Gamble
Gathings
Gordon

Reuss
Rhodes, Ariz.
Rhodes, Pa.
Richards
Riehlman
Riley
Rivers
Roberts
Robeson, Va.
Robson, Ky.
Rodino
Rogers, Colo.
Rogers, Fla.
Rogers, Mass.
Rogers, Tex.
Rooney
Roosevelt
Rutherford
Sadlak
St. George
Saylor
Schenck
Schwengel
Scrivner
Seely-Brown
Selden
Sheehan
Shelley
Sheppard
Shuford
Sieminski
Sikes
Siler
Simpson, Ill.
Simpson, Pa.
Sisk
Smith, Miss.
Smith, Va.
Spence
Springer
Staggers
Steed
Sullivan
Taber
Talle
Taylor
Teague, Calif.
Teague, Tex.
Thompson,
Mich.
Thompson, N. J.
Thompson, Tex.
Thomson, Wyo.
Tollefson
Trimble
Tuck
Tumulty
Utt
Vanik
Van Pelt
Van Zandt
Velde
Vinson
Vorys
Vursell
Wainwright
Watts
Weaver
Westland
Wharton
Whitten
Widnall
Wier
Wigglesworth
Williams, Miss.
Williams, N. J.
Williams, N. Y.
Willis
Wilson, Calif.
Wilson, Ind.
Withrow
Wolcott
Wolverton
Wright
Yates
Young
Younger
Zablocki
Zelenko

Thomas
Winstead

Mollohan	Scherer	Thornberry
Nelson	Scott	Udall
O'Hara, Minn.	Scudder	Walter
Pasman	Short	Wickersham
Patman	Smith, Wis.	
Priest	Thompson, La.	

So the bill was passed.

The Clerk announced the following pairs:

Mr. Hébert with Mr. Halleck.
 Mr. Patman with Mr. Short.
 Mr. Thompson of Louisiana with Mr. Davis of Wisconsin.
 Mr. Brooks of Texas with Mr. Cleyenger.
 Mr. Carnahan with Mr. Mason.
 Mr. Burleson with Mr. Smith of Wisconsin.
 Mr. Mollohan with Mr. Scherer.
 Mr. Gordon with Mr. O'Hara of Minnesota.
 Mr. Gathings with Mr. Gamble.
 Mr. Bell with Mr. Hoffman of Illinois.
 Mr. Thornberry with Mr. Bentley.
 Mr. Walter with Mr. Scott.
 Mr. Bailey with Mr. Nelson.
 Mr. Kelley of Pennsylvania with Mr. Scudder.

Mrs. BLITCH changed her vote from "nay" to "yea."

The result of the vote was announced as above recorded.

The doors were opened.

A motion to reconsider was laid on the table.

Mr. THOMPSON of Texas. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 3903) to amend the Agricultural Trade Development and Assistance Act of 1954, as amended, so as to increase the amount authorized to be appropriated for the purposes of title I of the act, and for other purposes.

The Clerk read the title of the Senate bill.

The SPEAKER. Is there objection to the present consideration of the Senate bill?

Mr. TABER. Reserving the right to object, Mr. Speaker, if I understood the request, it was that the Senate bill be substituted.

Mr. THOMPSON of Texas. No. I expect to offer the House bill, just passed, as an amendment.

There was no objection.

Mr. THOMPSON of Texas. Mr. Speaker, I move to strike out all after the enacting clause in the bill, S. 3903, and insert the provisions of the House bill just passed, H. R. 11708.

The SPEAKER. The question is on the amendment.

The amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill, H. R. 11708, was laid on the table.

The resolution providing for consideration of the House bill was laid on the table.

GENERAL LEAVE TO EXTEND REMARKS

Mr. THOMPSON of Texas. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days to extend their remarks prior to the passage of the bill, H. R. 11708.

The SPEAKER. Is there objection? There was no objection.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Tribbe, one of his secretaries, who also informed the House that on July 16, 1956, the President approved and signed bills of the House of the following titles:

H. R. 8228. An act to suspend for 2 years the duty on crude bauxite and on calcined bauxite;

H. R. 8636. An act to continue until the close of June 30, 1957, the suspension of duties and import taxes on metal scrap, and for other purposes; and

H. R. 10269. An act to provide for the temporary suspension of the duty on certain alumina.

NATIONAL POLICY WITH RESPECT TO FISHERIES

Mr. BONNER. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill S. 3275, an act to establish a sound and comprehensive national policy with respect to fisheries; to strengthen the fisheries segment of the national economy; to establish within the Department of the Interior a Fisheries Division; to create and prescribe the functions of the United States Fisheries Commission; and for other purposes, with House amendments, insist on the amendments of the House and agree to the conference asked by the Senate.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina [Mr. BONNER]?

Mr. HOFFMAN of Michigan. Mr. Speaker, reserving the right to object, I would like to know what this bill is.

Mr. BONNER. The Senate passed one bill practically reorganizing the Fish and Wildlife Service of the Department of the Interior. There was great discord among the sports fishermen of the Nation with respect to the Senate bill and some disagreement by the commercial fishermen of America with respect to the bill. The House held extensive hearings, bringing in all parties interested in the subject and worked out a bill that was agreeable to the sports fishermen and to the commercial fishermen and to the hunters of the Nation.

Mr. HOFFMAN of Michigan. Is this the bill where it is proposed to separate some of the functions?

Mr. BONNER. This sets up commercial fishing and a Fish and Wildlife Service that includes in the fish and wildlife sport fishing.

Mr. HOFFMAN of Michigan. I withdraw my reservation of objection, Mr. Speaker.

Mr. MARTIN. The request is merely to send it to conference?

Mr. BONNER. That is true.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina [Mr. BONNER]? [After a pause.] The Chair hears none, and appoints the following conferees: Mr. BONNER, Mr. BOYKIN, Mr. KLUCZYNSKI, Mr. TOLLEFSON, and Mr. ALLEN of California.

AUTHORIZING THE POSTMASTER GENERAL TO HOLD AND DETAIN MAIL FOR TEMPORARY PERIODS

Mr. MURRAY of Tennessee. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 9842) to authorize the Postmaster General to hold and detain mail for temporary periods in certain cases, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 2, line 11, strike out "for" and insert "and obtain."

Page 4, after line 4, insert:

"Sec. 2. The provisions of this act shall not apply to mail addressed to publishers or distributors of publications which have entry as second-class matter under the act of March 3, 1879, as amended (ch. 180, 20 Stat. 358; 39 U. S. C. 221, and the following), or to publishers or distributors of copyrighted books and other publications as to which certificate of registration of copyright has been issued under the copyright laws of the United States (title 17 U. S. C.)."

The SPEAKER. Is there objection to the request of the gentleman from Tennessee [Mr. MURRAY]?

Mr. HAYS of Ohio. Mr. Speaker, reserving the right to object, I would like to know what this bill is about.

Mr. MURRAY of Tennessee. Mr. Speaker, this bill involves mail used for trial purposes, obscene mail or indecent, vile mail going through the mails. It gives the Postmaster General the right to detain such mail for a period of 20 days. Unless he goes to court and files a petition for the purpose of further detention of this material, then the order no longer remains in effect.

Mr. HAYS of Ohio. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

BORROWING POWER OF THE COM- MODITY CREDIT CORPORATION

Mr. SPENCE submitted the following conference report and statement on the bill (S. 3820) to increase the borrowing power of Commodity Credit Corporation:

CONFERENCE REPORT (H. REPT. No. 2772)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 3820) to increase the borrowing power of Commodity Credit Corporation, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House and agree to the same with an amendment as follows: I lieu of the matter proposed to be inserted by the House amendment insert the following:

"INCREASE IN BORROWING AUTHORITY"

"SECTION 1. (a) Section 4 (i) of the Commodity Credit Corporation Charter Act, as

July 19, 1956

12242, 12243, 12323

Confirmed the nominations of George H. Coopers, Karl D. Butler, Charles R. Sayre, Frank J. Welch, and J. Leroy Welsh to be members of the Commission on Increased Industrial Use of Agricultural Products. pp. 12248, 12323

15. EXECUTIVE PAY. Began consideration of H. R. 7619, to adjust the rates of compensation of the heads of executive departments and of certain other officials of the government, but took no action. p. 12302
16. FOREIGN TRADE; SURPLUS COMMODITIES. Conferees were appointed on S. 3903, to amend the Agricultural Trade Development and Assistance Act of 1954, as amended, so as to increase from \$1.5 to \$3 billion the amount for purposes of title I of the Act. p. 12320
17. ELECTRIFICATION. Rejected, by a vote of 51 to 41, S. 1333, to authorize the construction, operation, and maintenance of the Hells Canyon dam. pp. 12248, 12321
18. CONTRACTS. Passed as reported H. R. 11947, to extend and amend the Renegotiation Act of 1951. p. 12295
19. SEEDS. The Interior and Insular Affairs Committee reported with amendment H. R. 11522, to provide for the extension of certain provisions of Federal laws, including the Federal Seed Act, the Vocational Rehabilitation Act, and wildlife restoration authorities, to Guam. p. 12241
20. NATURAL RESOURCES. The Public Works Committee ordered reported, but did not actually report, without amendment S. Res. 281, expressing the sense of the Senate relative to the conservation and development of land and water resources. p. D837
21. TAXATION; PROPERTY. Sen. Wiley inserted several letters and commented on the desirability of the Federal Government making payments in lieu of taxes to local governments. p. 12322
22. LEGISLATIVE PROGRAM. Sen. Johnson said the mutual security appropriation bill would probably be considered today. p. 12295

ITEMS IN APPENDIX

23. FARM PROGRAM. Rep. Cooley stated that "the Committee on Agriculture has handled in the 84th Congress the heaviest legislative workload ever undertaken in any Congress in behalf of the farmers of America," and inserted a review of enactments thus far in the 2nd session relating to agriculture. p. A5649
24. PUBLIC WORKS; FLOOD CONTROL. Various insertions of speeches made before the national convention of the National Rivers and Harbors Congress held in Washington on May 10 - 12, 1956. pp. A5647, A5671, A5690
25. TRANSPORTATION. Rep. Hinshaw inserted a magazine article discussing controversies which have arisen over the equity or inequity of provisions in the Commerce Act providing for the movement of Government property at free or reduced rates. p. A5653
26. TEXTILES. Rep. Philbin stated that there is no "factual basis" for the claim that new synthetic fabrics have been responsible for the present problems of the textile industry and urged Congress to act soon to check "devitalizing im-

ports" if we are to retain the vitality of our free-enterprise system. p. A5656

Rep. Donohue inserted Peter Edson's column concerning problems of the domestic textile industry and stated that "...it points up the fact that the only preserving solution is the sensible application of import quota restrictions on foreign textiles, which I hope may soon be accomplished." p. A5683

27. INSECT CONTROL. Rep. Harrison inserted a newspaper article describing the operations and value of a vigorous program of insect control in agricultural and suburban areas. p. A5678
28. SMALL BUSINESS. Rep. Thompson, Jr. inserted a letter from the National Federation of Independent Business suggesting that small business will be aided to success through enforcement of anti-trust laws. p. A5680
29. RECLAMATION. Rep. Johnson, Wis., inserted a Farmers Union radio broadcast urging support of the high dam at Hells Canyon, and a newsletter from the Farmers Union discussing the program related to the project. pp. A5681, A5699
30. PERSONNEL. Rep. Multer inserted his statement before the House Post Office and Civil Service Committee urging caution in any revision of the Federal security regulations. p. A5686
31. MARKETING. Sen. Hickenlooper inserted a statement of the Iowa-Nebraska Cannery Association opposing S. 2933, relating to Federal production and marketing controls of fruits and vegetables for processing. p. A5689
32. RESEARCH. Rep. Beamer inserted his statement before the House Agriculture Committee urging support for bills to provide for a scientific study of increased industrial uses of agricultural products. p. A5702
33. ATOMIC POWER. Various insertions favoring and opposing the proposed atomic energy electric power acceleration program. pp. A5658, A5671, A5682, A5690
34. FLOOD CONTROL. Rep. Beamer inserted reports from the Army Corps of Engineers on the flood control plans of the Wabash River. p. A5660
35. GREAT PLAINS. Rep. Hill inserted the statement of Assistant Secretary Peterson before the House Agriculture Committee on the USDA program for the Great Plains area. p. A5667
36. BANKING. Rep. Latham inserted an article questioning the advisability of further governmental controls on the banking industry and opposing proposals to regulate bank mergers. p. A5676

BILLS INTRODUCED

37. FARM LOANS. S. 4245, by Sen. Hennings, to permit the Secretary of Agriculture or any other officer or agency of the Department of Agriculture holding in an official capacity a mortgage on any real property to be made a party in condemnation proceedings involving such property; to Agriculture and Forestry Committee.
38. RESEARCH; MARKETING. H. R. 12310, by Rep. Abernethy and H. R. 12315, by Rep. Dixon, to provide for further research relating to new and improved uses which

The charges I am now making against Hoffman were documented in my speech of last week, which I earnestly urge anyone who has any doubts about them to study. Also, in that speech, I devoted many pages to documenting Hoffman's handling of the security problem in his own department while he was head of the ECA. I shall review only the highlights of that situation today.

The uncontroverted record shows that in the spring of 1949 Hoffman was personally advised by one of his top assistants, Mr. Peter Hoguet, that another of his top assistants, Mr. Theodore Geiger, had been named under oath as a member of the Communist Party. The information concerning Geiger was called to Hoffman's attention because, as the ECA Administrator, Hoffman was forbidden by law to employ a man who was or had ever been a member of the Communist Party. The uncontroverted record shows that Hoffman completely disregarded the information about Geiger, that instead of investigating Geiger and firing him, he immediately sought the resignation of the man who had brought the matter to his attention. Geiger was not separated from ECA until over a year later, and this was accomplished only after powerful representations by the McCarran watchdog committee. I am not advising the Senate either that Theodore Geiger was, or that he was not, a Communist. For our purposes today, that is unimportant. The points are that Hoffman had the strongest kind of prima facie evidence that he was employing, in a highly critical position in his department, a man who had been a Communist; and that he was forbidden by law to do so. In this instance Hoffman showed a contemptuous disregard for the security program of the United States Government and for the laws enacted by the United States Congress.

Now let me turn to another aspect of Hoffman's career which I did not deal with last week, and which I regard as perhaps the most damning evidence against him.

The Senators will recall that late in 1948 the Republic of China was on the verge of military collapse, thanks to the refusal of the Truman administration to send military aid to free China in its fight against the Communists. Possibly, even at that late date, China could have been saved if our policy had been drastically reversed; but a reversal was out of the question after November 1948, when Harry Truman was reelected to the Presidency. Given our policy of not aiding Chiang Kai-shek militarily, the collapse of free China's opposition to the Chinese Reds was then only a matter of time. This was well-known throughout the world—and most particularly, it was well-known to Paul Hoffman, who was then one of the top officials in the United States Government.

Hoffman knew, moreover—as did the rest of the world—that the time was long past when it was possible for the free Chinese to join the Communists in a coalition government. Chiang had not only adamantly refused to be led into this trap; his government was so weak by that time that the Nationalists would

have been incapable of maintaining an independent position within a coalition government. Thus, at that time, the only alternative to the Kuomintang was a government completely dominated by the Communists.

This was the situation in December of 1948 when Paul Hoffman made a trip to China.

Mr. President, I wish to invite the attention of the very able Senator from California [Mr. KNOWLAND] to the documentation in the next paragraph of my speech.

On December 13, 1948, in Shanghai, Hoffman as ECA Administrator, solemnly proposed that American aid to China be continued even after Chiang fell—that American aid should be given, that is to say, after the Reds had taken over. I call to the Senators' attention the New York Times of December 14, 1948. The headline at the top of page 1 states, "Hoffman Pledges Aid to a Coalition With Reds in China"; the article being as follows:

Paul G. Hoffman, Economic Cooperation Administration chief, today pledged the continuance of aid to China even if the present government falls, as long as the essential freedoms are preserved.

Now, I shall deal in just a moment with the silly qualification that Hoffman tied to his proposal—namely, that "essential freedoms" would have to be observed by the Chinese Communists. But first let me turn to the New York Times of the following day, to another front page story that helps put Hoffman's views in their proper perspective. Here the headline is "Hoffman Talk Disavowed—United States Policy Remains Unchanged." And the article states:

The State Department sought to make it clear that Economic Cooperation Administrator Paul G. Hoffman spoke for himself alone rather than for this Government in pledging continued aid to China if the present government were supplanted by a coalition regime.

In other words, Hoffman's fantastic proposal was repudiated even by the State Department—if you please, the Marshall State Department. Even George Marshall—himself an experienced practitioner of appeasement of the Chinese Reds—could not stomach this astounding proposal by Hoffman to send direct American aid to the Chinese Reds. Hoffman, in other words, out-Marshalled Marshall. Yet the very man whom Marshall, and presumably Truman, thought had gone too far toward appeasing Red China, is now being proposed by the Eisenhower administration as our delegate to the United Nations. Is it any wonder, Mr. President, that the American people are dumbfounded by this appointment?

Now let us look a little more closely at Mr. Hoffman's proposal that we aid Red China. Hoffman said that we should give American aid to a coalition government, which would inevitably be dominated by the Communists—provided essential freedoms were observed by the Communists. Now this statement permits 1 of 2 conclusions: Either, first, Paul Hoffman knew perfectly well, as he certainly ought to have known, that the ob-

servation of essential freedoms by a Communist regime was inconceivable, in which case his talk about essential freedoms was eyewash designed to make more palatable a deliberate policy of aiding communism; or, second, Hoffman really believed that it was possible that the Chinese Communists would permit free speech and a free press, and other freedoms, in which case Hoffman reveals himself as abysmally ignorant of even the most elementary facts about communism. In either case Hoffman cannot be considered qualified to represent this country in an important diplomatic capacity.

Whether he is pro-Communist or is ignorant about communism, he is not fit for the job to which he has been appointed. Whatever his motivations, Hoffman has shown himself to be a valuable asset to our enemies; he is thus a man in whom it is absolutely impossible to repose confidence as an official representative of the United States Government.

It is said that Paul Hoffman is opposed to admitting Red China to the United Nations. According to his supporters, Hoffman has said that he is opposed to admitting Red China, and that apparently is good enough for them. Well, Mr. President, it is not good enough for me.

I am aware that Hoffman said recently in New York—in the same speech, incidentally, in which he equated anticommunism with Ku Klux Klanism—that he was personally opposed to admitting Red China to the U. N. I interpret this as nothing more or less than an attempt by Hoffman to buy a seat at the United Nations. He desperately wants this job. Paul Hoffman has been out of the official limelight for some time, and he cannot stand it. If misleading the American people about his real views on Red China is the price he must pay for the United Nations seat, then I believe that he is perfectly prepared to mislead the American people on that issue, even as he has so outrageously tried to mislead them in his discussions of Communist subversion and the civil-liberties problem.

As I see it, the best evidence as to how Hoffman feels about Red China is to be got, not from the self-serving statements of a man who is trying now to appease his enemies, but from the deeds of that man when he was riding high in national power and could afford to announce his views without fear of popular reprisals. In 1948 Hoffman attempted to commit this Government to a policy of building up Red China with American dollars and thus consolidating Communist rule over hundreds of millions of human beings. In 1956, when a job is coming up which requires at least verbal opposition to Red China, he protests that he is not in favor of admitting that regime to the United Nations. I leave it to the Senate to decide on which occasion it is more likely that Hoffman was expressing his real views about Red China, and on which occasion he was concealing them.

Whether I express the sentiments of the Senate in voicing opposition to Paul

Hoffman, I do not know. That will be known when the vote is in.

I am very much disturbed that my Democrat friends, under whose administration Paul Hoffman served, and the Eisenhower Republicans, a number of whom will go along at all costs, will combine to confirm the nomination of Hoffman by a sizable vote.

But I am supremely confident that I express the sentiments of the vast majority of the American people. They have had quite enough of Paul Hoffman's shadow boxing with communism—of his practice of attacking communism with broad generalities at the same time he is vigorously supporting concrete policies that aid communism. They want none of this in the future—at least not with the official sanction of the United States Government. I assure you, Mr. President, the American people want this appointment rejected.

I sincerely hope the Senate will reject the nomination, but for the reasons I have heretofore stated I fear very much that it will not.

In recent weeks I have observed very unusual activities on the floor of the Senate and in the Committee on Appropriations. I have seen Senators whom I have considered to be among our most responsible legislators vote to have the United States send some 300 jet planes to Yugoslavia. They voted to send Tito planes, knowing that Tito has declared that Communist Yugoslavia and Communist Russia are now firm allies.

So, frankly, I cannot be too confident about the prospects of the Senate rejecting the Hoffman appointment.

During the delivery of Mr. McCARTHY's speech:

Mr. JOHNSON of Texas. Mr. President, I wonder if the Senator from Wisconsin will yield in order that I may make an announcement?

Mr. McCARTHY. I yield, with the understanding that the announcement will appear in the RECORD at the end of my remarks.

Mr. JOHNSON of Texas. Mr. President, I understand the Senator has several minutes remaining, and there are other Senators who desire to address themselves to this subject. I have received many inquiries from Members on my side of the aisle as to whether we would have a yea-and-nay vote on this question this evening. If it is agreeable to the Senator from Wisconsin, he might proceed, with the understanding that he will have the floor tomorrow morning. I announce to all Members that we shall not have a yea-and-nay vote tonight, and that other Senators who are interested in speaking can make their statements tomorrow.

Is that agreeable to the Senator from Wisconsin?

Mr. McCARTHY. Mr. President, may I say to the Senator from Texas that I think his suggestion is an excellent one, in view of the fact that the vast number of Members on the other side of the aisle are going to attend a testimonial dinner for the distinguished Senator from Georgia [Mr. GEORGE] tonight. For that reason I shall not yield further, but shall finish the brief remarks which I have remaining. If any Sen-

ator wishes to ask any questions or to question what I have said, I shall take the floor in the morning for that purpose.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Senator from Wisconsin may complete his statement and occupy the floor following the morning hour tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT OF AGRICULTURAL TRADE DEVELOPMENT AND ASSISTANCE ACT OF 1954

As in legislative session,
The PRESIDING OFFICER. (Mr. PAYNE in the chair) laid before the Senate the amendment of the House of Representatives to the bill (S. 3903) to amend the Agricultural Trade Development and Assistance Act of 1954, as amended, so as to increase the amount authorized to be appropriated for purposes of title I of the act, and for other purposes, which was to strike out all after the enacting clause and insert:

That section 103 (b) of the Agricultural Trade Development and Assistance Act of 1954, as amended (Public Law 480, 83d Congress), is amended by striking out "\$1,500,000,000" and inserting in lieu thereof "\$3,000,000,000."

SEC. 2. (a) Section 304 of the act is amended by adding the following new sentence at the end thereof: "Nothing in this or any other act shall be construed as authorizing transactions under title I or title III with the Union of Soviet Socialist Republics or Communist China or North Korea, or with any other nation or area which is not a 'friendly nation' as defined in section 107 hereof."

(b) The commodities disposed of under this act must be in addition to sales of such commodities in world trade through normal channels at competitive prices for dollars.

SEC. 3. Sales of fresh and frozen fruit and the products thereof from privately owned stocks under title I of the act shall be exempt from the requirements of the cargo preference laws (Public Resolution 17, 73d Congress (15 U. S. C. 616a) and section 901 (b) of the Merchant Marine Act, 1936 (46 U. S. C. 1241 (b))), excepting for such shipments as the Secretary of Commerce shall have made a finding that American flag cargo vessels are available and qualified to make.

SEC. 4. Section 201 of the act is amended by inserting after the word "urgent" wherever it occurs in said section the words "or extraordinary."

Mr. ELLENDER. Mr. President, I move that the Senate disagree to the amendment of the House of Representatives, request a conference thereon with the House of Representatives, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. ELLENDER, Mr. JOHNSTON of South Carolina, Mr. HOLLAND, Mr. AIKEN, and Mr. YOUNG conferees on the part of the Senate.

AUTHORITY FOR ARMED SERVICES COMMITTEE TO FILE REPORTS

As in legislative session,
Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Committee on Armed Services may have

until midnight tonight to file reports on bills on which they have acted today.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECESS

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that when the Senate concludes its business today it stand in recess until 9:30 o'clock tomorrow morning.

The PRESIDING OFFICER. Without objection, it is so ordered.

AUSTRALIAN PROPOSAL FOR INTERNATIONALLY SUPERVISED POLISH ELECTION

Mr. KNOWLAND. Mr. President, I ask unanimous consent to have printed at this point in the RECORD a cabled proposal by Australian parliamentary officials for an internationally supervised Polish election, a copy of which was sent to the Senator from Georgia [Mr. GEORGE], chairman of the Committee on Foreign Relations, by the Senator from Mississippi [Mr. EASTLAND], chairman of the Subcommittee on Internal Security of the Committee on the Judiciary, together with the letter of transmittal.

There being no objection, the material was ordered to be printed in the RECORD as follows:

JULY 5, 1956.

HON. WALTER F. GEORGE,
*Chairman, Foreign Relations Committee,
United States Senate,
Washington, D. C.*

DEAR MR. CHAIRMAN: The Honorable William C. Wentworth, Member of the Australian Parliament and member of the Parliamentary Foreign Affairs Committee, has transmitted the enclosed cable to Robert Morris, chief counsel of the Senate Internal Security Subcommittee. Inasmuch as it bears on matters related to our foreign policy, I am transmitting herewith a copy of this cable, with the request that you place it before the Senate Foreign Relations Committee.

The Australian Parliamentary Affairs Committee is made up of 13 members. The fact that 12 of these members have signed the within cable would indicate that their sentiments represent committee thinking.

Very sincerely yours,

JAMES O. EASTLAND,
Chairman, Internal Security Committee.

SYDNEY, July 3, 1956.

ROBERT MORRIS,
Chief Counsel, Committee on the Judiciary, United States Senate, Washington, D. C.:

Twelve members of Parliamentary Foreign Affairs Committee including myself have signed the following statement for press. Statement begins:

"The massacres and mass arrest in Poznan show that Poland is still a police state whose people are kept in subjection to totalitarian terror.

"Public comment from Communist leaders in other Soviet satellites to the effect that the Polish uprising proved the need for greater party vigilance is at least an indication that this is still the normal method of government throughout the Communist world.

"The new leaders in the Kremlin now profess penitence for the misdeeds of the criminal Stalin. It should be remembered that Stalin's greatest crimes were committed, not against the Russian people, but against

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued July 23, 1956
For actions of July 20 and 21, 1956
84th-2nd, Nos. 124 & 125

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HIGHLIGHTS: House agreed to conference report on CCC borrowing power bill. Senate passed watershed bill. House committee reported second supplemental appropriation bill. House agreed to conference report on bill to facilitate payment of obligations. Senate passed executive pay and retirement bill. Senate confirmed nomination of Hansen as FHA Administrator. Senate committee reported resolution favoring water resource development. Conferees agreed to report bills to increase Public Law 480 authorization, and amend social security laws. Senate debated mutual security appropriation bill. Senate agreed to conference report on small reclamation project bill. (Continued on page 9)

HOUSE - July 20

1. FOREIGN TRADE; SURPLUS COMMODITIES. The conferees agreed to file a report (but did not actually do so) on S. 3903, to increase the amount authorized for title 1 of the Agricultural Trade Development and Assistance Act of 1954. p. D850
House conferees on this bill had been appointed earlier in the day.
p. 12512

2. FARM LOANS. The conferees agreed to file a report on H. R. 11544, to improve and simplify the credit facilities available to farmers and to amend the Bankhead-Jones Farm Tenant Act (but did not actually do so). p. D850
3. CCC BORROWING POWER. Agreed to the conference report on S. 3820, to increase the borrowing power of the Commodity Credit Corporation to \$14.5 billion and to amend the penalty provision of the CCC Charter Act. p. 12550
4. SECOND SUPPLEMENTAL APPROPRIATION BILL, 1957. The Appropriations Committee reported without amendment this bill, H. R. 12350 (H. Rept. 2849). p. 12567
5. RECLAMATION. Received the conference report on S. 497, to authorize the Washoe reclamation project, Nev. and Calif. p. 12511
6. CUSTOMS SIMPLIFICATION. Conferees were appointed on H. R. 6040, the customs simplification bill. p. 12549
7. ACCOUNTING. Agreed to the conference report on H. R. 9593, to simplify accounting and facilitate the payment of obligations. This bill will now be sent to the President. p. 12550
8. SOCIAL SECURITY. The conferees tentatively agreed to language for a conference report on H. R. 7225, the social security bill. The conferees are to meet July 24 for final review of the report. p. D850
9. TWINE IMPORTS. Rep. Marshall referred to an announcement of an executive branch hearing on the possibility of imposing a tariff on the importation of baler and binder twine and stated that American farmers "are asked in effect to bear the higher cost of producing their goods as a kind of direct subsidy to the cordage industry." p. 12552
10. PERSONNEL; SURPLUS COMMODITIES; INFORMATION. The Government Operations Committee approved the following subcommittee reports: "Employment and Utilization of Experts and Consultants," "Distribution of Surplus Agricultural Commodities to Schools and Institutions in Illinois," "Availability of Information From Federal Departments and Agencies." p. D849
11. LEGISLATIVE PROGRAM for this week was announced as follows: Mon., Consent Calendar, bills under suspension of rules, and possibly second supplemental appropriation bill. Tues., civilian atomic power bill.

SENATE - JULY 20

12. WATERSHEDS. Passed with amendments H. R. 8750, to amend the Watershed Protection and Flood Prevention Act. Agreed to an amendment by Sen. Kerr to provide for committee review of projects on which the Federal contribution exceeds \$250,000 (the bill as reported provided for such review when the total cost exceeds that amount). Agreed to an amendment by Sen. Hruska to modify the requirement for employment of engineers in connection with watershed projects so as to make the requirement apply only to projects for storage of water for municipal or industrial purposes. Sen. Aiken criticized the transfer of this bill from the Agriculture and Forestry Committee to the Public Works Committee. Senate conferees were appointed. p. 12428
13. NOMINATION; FARM LOANS. Confirmed the nomination of Kermit H. Hansen to be Administrator of the Farmers' Home Administration. p. 12422

The SPEAKER. Without objection, it is so ordered.

There was no objection.

WASHOE RECLAMATION PROJECT, NEVADA AND CALIFORNIA

Mr. ENGLE submitted the following conference report and statement on the bill (S. 497) to authorize the Secretary of the Interior to construct, operate, and maintain the Washoe reclamation project, Nevada and California:

CONFERENCE REPORT (H. REPT. No. 2834)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 497) to authorize the Secretary of the Interior to construct, operate, and maintain the Washoe reclamation project, Nevada and California, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendments of the House and agree to the same with an amendment as follows: In lieu of the language inserted by the House amendment, insert the following: "That, for the purposes of furnishing water for the irrigation of approximately 50,000 acres of land in the Carson and Truckee River Basins, Nevada and California, providing drainage service to approximately 31,000 acres of land therein, firming the existing water supplies of lands under the Truckee River storage project and the Newlands project, controlling floods, providing hydroelectric power, development of fish and wildlife resources, and for other beneficial purposes, the Secretary of the Interior is authorized to construct, operate, and maintain the Washoe reclamation project consisting of two principal reservoirs at the Stampede and Watasheamu sites, together with other necessary works for the impounding, diversion, and the delivery of water, the generation and transmission of hydroelectric power, and the drainage of lands. The dam at the Stampede site shall be so constructed as to permit its ultimate enlargement to a height at which the reservoir will have a capacity of approximately 175,000 acre-feet.

"Sec. 2. (a) In constructing, operating, and maintaining the works authorized in section 1 of this Act, the Secretary shall be governed by the Federal reclamation laws (Act of June 17, 1902, 32 Stat. 389, and Acts amendatory thereof or supplementary thereto) except as is otherwise provided in this Act.

"(b) Any contract entered into under section 9, subsection (d) of the Reclamation Project Act of 1939 (53 Stat. 1187, 1193; 43 U. S. C., 1952 edition, sec. 458h) for payment of those portions of the costs of constructing, operating, and maintaining the Washoe reclamation project which are properly allocable to irrigation and drainage and which are assigned to be paid by the contracting organization may provide for the repayment of the portion of the construction cost of the project assigned to any project contract unit or, if the contract unit be divided into two or more irrigation or drainage blocks, to any such block over a period or not more than fifty years, exclusive of any permissible development period, or as near thereto as is consistent with the adoption and operation of a variable payment formula which, being based on full repayment within the period stated under normal conditions, permits variance in the required annual payments in the light of economic factors pertinent to the ability of the organization to pay: *Provided*, That any contract for a supplemental water supply for irrigation under this Act may omit provisions complying with the third sentence of paragraph (a) of section 46 of

the Act of May 25, 1926 (44 Stat. 649) if such contract, in lieu of such provisions, provides that the pro rata share of the irrigation allocation which is attributable to furnishing irrigation benefits, in each particular year, to land held in private ownership by any one owner in excess of one hundred and sixty irrigated acres, shall be returned with interest determined in accordance with subparagraph (c) of this section, except that such payment for the excess lands shall not exceed an amount equal to the increased payment capacity of the excess lands, as determined by the Secretary of the Interior, resulting from the supplemental water supply.

"(c) Notwithstanding any other provision of law to the contrary, all net revenues derived from the sale of commercial power from the Washoe reclamation project shall be applied, first, to the amortization of that portion of the cost of constructing the project which is allocated to commercial power with interest on the unamortized balance thereof at the average rate (which rate shall be certified by the Secretary of the Treasury) paid by the United States on its marketable long-term securities outstanding on the date of this Act, and thereafter to the amortization of that portion of the cost of constructing the project which is allocated to irrigation but which is beyond the ability of the contracting irrigation organizations to repay as provided above, including interest that would have been paid by the irrigators on that portion of the irrigation allocation attributable to furnishing irrigation benefits to excess lands which is not repaid under section 2 (b) above: *Provided*, That the Secretary, prior to the delivery of project water supplies, shall have entered into a contract or contracts with an organization or organizations as defined in paragraph 2 (g) of the Reclamation Project Act of 1939 (53 Stat. 1187) which have the capacity to levy assessments upon all taxable real property located within their boundaries to assist in making repayments.

"(d) Water users in Alpine County, California, shall have the opportunity to contract for project water made available by the Watasheamu Reservoir before such project water is offered for the development of any new land in Nevada. Should any such project water be contracted for by Alpine County water users, then in that event such users shall be permitted to exchange such water for existing rights to natural flow or stored water of the West Carson River.

"(e) The use of waters of the Little Truckee River solely for the generation of electric power by the Washoe project shall not impair or preclude the appropriation of such waters in the future for beneficial consumptive use within the Little Truckee River watershed in California to the same extent as such waters may be presently available for such appropriation in the State of California: *Provided*, That if and when an interstate compact covering the distribution and use of the waters of the Truckee and Carson Rivers is approved by the Legislatures of the States of California and Nevada and is consented to by Congress, the operation of the Washoe reclamation project shall be in conformance with such compact, and the foregoing restriction shall not apply.

"Sec. 3. The Secretary is authorized to investigate, plan, construct, operate, and maintain minimum basic facilities for access to and for the maintenance of public health and safety and the protection of public property on, lands withdrawn or acquired for the development of the Washoe project, to conserve the scenery and natural, historic, and archeologic objects, and to provide for public use and enjoyment of the same and of the water areas created by this project by such means as are consistent with its primary purposes. The Secretary is authorized to withdraw from entry or other dis-

position under the public land laws such public lands as are necessary for the construction, operation, and maintenance of said minimum basic facilities and for the other purposes specified in this section and to dispose of such lands to Federal, State, and local governmental agencies by lease, transfer, exchange, or conveyance upon such terms and conditions as will best promote their development and operation in the public interest. The Secretary is further authorized to investigate the need for acquiring other lands for said purposes and to report thereon to the Committees on Interior and Insular Affairs of the Senate and House of Representatives, but no lands shall be acquired solely for any of these purposes other than access to project lands and the maintenance of public health and safety and the protection of public property thereon without further authorization by the Congress. All costs incurred pursuant to this section shall be nonreimbursable and nonreturnable.

"Sec. 4. Facilities shall be provided for the development of the fish and wildlife resources of the project area including facilities to permit increased minimum water releases from Lake Tahoe and restoration of the Pyramid Lake fishery. The cost of such facilities, including operation and maintenance, shall be nonreimbursable. The cost to the Federal Government of constructing these facilities shall not exceed \$2,000,000. This amount shall not include the cost of measures undertaken, pursuant to section 2 of the Act of August 14, 1946 (60 Stat. 1080, 16 U. S. C. 661a), to mitigate damages to fish and wildlife resources occasioned by the Washoe project as authorized by section 1 of this Act.

"Sec. 5. There is hereby authorized to be appropriated for construction of the Washoe reclamation project the sum of \$43,700,000 plus such amounts, if any, as may be required by reason of changes in construction costs as indicated by engineering cost indices applicable to the types of construction involved therein and, in addition thereto, such sums as may be required to operate and maintain the project: *Provided*, That the appropriation of funds for the construction, operation, or maintenance of facilities authorized by section 4 of this Act shall not be from the reclamation fund."

And the House agree to the same.

CLAIR ENGLE,
WAYNE N. ASPINALL,
A. L. MILLER,

Managers on the Part of the House.

CLINTON P. ANDERSON,
ALAN BIBLE,
GEORGE W. MALONE,

Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on amendments of the House to the bill (S. 497), to authorize the Secretary of the Interior to construct, operate, and maintain the Washoe reclamation project, Nevada and California, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report:

The conference committee agreed on language which results in two changes in the House-passed bill. The first change is the addition of a provision which requires that the organization contracting with the Secretary of the Interior for repayment of project costs must have the capacity to levy assessments upon all taxable real property located within the boundaries of the organization. We believe that this is a desirable provision in the legislation. The construction and operation of reclamation projects contribute materially to the economy of the area where they are located. All the people in the area benefit from these developments,

not just the direct project beneficiaries. We believe it appropriate in recognition of these indirect benefits that small assessments be levied upon all taxable real property within the boundaries of the organization to assist in repayment of project costs. This provision was not deleted by the House committee—the committee acted on the House bill, which did not include this provision.

The other change adopted by the conference committee to the House-passed bill relates to project excess lands. The Senate-passed bill exempted lands receiving supplemental water under the Washoe project from the excess lands provisions of reclamation law. The House-passed bill retained such excess lands provisions but provided an alternative procedure which the organizations could follow if they desired water service to lands without compliance with excess lands provisions. This alternative procedure would require that interest be paid on the pro rata share of the irrigation allocation attributable to furnishing irrigation benefits to excess lands receiving supplemental water. Such a procedure would remove the subsidy from serving excess lands. The Senate conferees expressed the belief that the House language would require payments from excess lands greater than the additional payment capacity resulting from the supplemental water supply. They pointed out that the high elevation of the lands, the short growing season, and the type of crops grown in the area limited the capability of the lands and the financial returns therefrom. In recognition of these facts, the conference committee agreed upon substitute language which retained the House provision for interest payment on excess lands but qualified the provision by limiting such payment to an amount equal to the increased payment capacity of the excess lands resulting from the supplemental water supply. The determination as to the increased payment capacity of the excess lands would be made by the Secretary of the Interior. That part of the cost attributable to serving supplemental water to excess lands which the Secretary determines to be in excess of the increased payment capacity of such lands would have to be repaid with interest from power revenues. It is the intention of the House conferees that the Federal taxpayers shall be made whole with respect to the cost to the Federal Government attributable to serving excess lands and that the repayment of such costs should come from project revenues.

CLAIR ENGLE,
WAYNE N. ASPINALL,
A. L. MILLER,

Managers on the Part of the House.

CORRECTION OF ROLLCALL

Mr. KEARNEY. Mr. Speaker, on rollcall 99 I am recorded as being not present. I was present and voted yea. On rollcall 100 I am recorded as being not present. I was present and voted yea.

I ask unanimous consent that the permanent RECORD and the Journal be corrected accordingly.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. HOFFMAN of Michigan. Mr. Speaker, I offer a motion.

The SPEAKER. The Chair does not desire to recognize the gentleman from Michigan for that purpose.

Mr. HOFFMAN of Michigan. To offer that motion? Can I be recognized later?

The SPEAKER. The Chair will pass on that later.

Mr. HOFFMAN of Michigan. Well, I will renew it at various times then. I thank the Chair.

VERENDRYE NATIONAL MONUMENT, N. DAK.

Mr. ENGLE. Mr. Speaker, I ask unanimous consent for the immediate consideration of the concurrent resolution (S. Con. Res. 86) authorizing the conferees on H. R. 1774, abolishing the Verendrye National Monument, N. Dak., to consider certain additional Senate amendments that were inadvertently omitted from the official papers.

CALL OF THE HOUSE

Mr. HOFFMAN of Michigan. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. McCORMACK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 107]

Bailey	Edmondson	Morrison
Bell	Gathings	Nelson
Burleson	Gordon	O'Hara, Minn.
Carnahan	Gwinn	Passman
Chatham	Hébert	Powell
Dague	Hoffman, Ill.	Scudder
Davidson	Kelley, Pa.	Thompson, La.
Davis, Wis.	Landrum	Thornberry
Dawson, Ill.	Lane	Walter
Eberharter	McDowell	Wickersham

The SPEAKER. On the rollcall 400 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

VERENDRYE NATIONAL MONUMENT, N. DAK.

The SPEAKER. The Clerk will report the Senate concurrent resolution (S. Con. Res. 86).

The Clerk read as follows:

Resolved by the Senate (the House of Representatives concurring), That the conferees on H. R. 1774, in addition to the Senate amendments already pending before them, be authorized to consider the following amendments:

"(3) Page 1, line 6, strike out all after 'permits' down to and including 'site' in line 8.

"(4) Page 1, strike out all after line 8 over to and including line 5 on page 2.

"(5) Page 2, strike out lines 6 to 20, inclusive."

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

The Senate concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

AGRICULTURAL TRADE, DEVELOPMENT, AND ASSISTANCE ACT OF 1954

Mr. COOLEY. Mr. Speaker, I ask unanimous consent to take from the

Speaker's desk the bill (S. 3903) to amend the Agricultural Trade, Development, and Assistance Act of 1954, with House amendments thereto, insist on the House amendments and agree to the conference requested by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina? The Chair hears none, and appoints the following conferees: Messrs. COOLEY, POAGE, GRANT, HOPE, and AUGUST H. ANDRESEN.

CIVIL RIGHTS

Mr. CELLER. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H. R. 627) to provide means of further securing and protecting the civil rights of persons within the jurisdiction of the United States.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H. R. 627, with Mr. FORAND in the chair.

The CHAIRMAN. When the Committee rose on yesterday, the Clerk had read through section 103 of the bill. Are there any further amendments to the section?

Mr. SMITH of Virginia. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, we have spent a great deal of time on this bill. I think everybody has pretty well had an opportunity to express their views. I am going to suggest that we proceed with more celerity from now on than we have. I had some discussions with the leadership, which I take the floor now in order to verify, and to see if it is agreeable to the Committee so that we may proceed with this matter more rapidly.

My understanding is that we will confine our amendments to meritorious amendments and that, if it is agreeable to the committee, the debate on these amendments will be limited to 5 minutes for and 5 minutes against; that at the conclusion of the consideration of the bill by the Committee of the Whole the Committee will rise and that the vote will be deferred until Monday.

I think it will enable us to get along with business much more rapidly, with the forward look to adjournment next week, and in the meantime we will be able to clean up a good deal of the business that has to be done before the House adjourns.

May I ask the gentleman from New York if that statement conforms to his understanding?

Mr. CELLER. That is entirely correct, and it is a very creditable arrangement. The gentleman from Virginia participated to a measurable degree in reaching that agreement.

Mr. SMITH of Virginia. May I ask the minority leader if that meets with his approval?

Mr. MARTIN. I will say that I have consulted with the gentleman from New York [Mr. KEATING], and we are both agreeable. We do not subscribe to the meritoriousness of the amendments to be offered, but the procedure is fine.

Customs Simplification: Disagreed to Senate amendments to H. R. 6040, to amend certain administrative provisions of the Tariff Act of 1930 and to repeal obsolete provisions of the customs laws; agreed to a conference requested by the Senate; and appointed as conferees Representatives Cooper, Mills, Gregory, Reed, and Jenkins.

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Commodity Credit Corporation: Adopted the conference report on S. 3820, to increase the borrowing power of the Commodity Credit Corporation, and sent the bill to the Senate.

Page 12550

Pensions: Passed H. R. 2867, increasing pensions for Spanish-American War widows.

Page 12550

Knowland Award: Passed and cleared for the President S. 4256, authorizing Senator Knowland to accept from Greece award of Grand Commander of Royal Order of Phoenix.

Page 12550

Federal Accounting: Adopted the conference report on H. R. 9593, to simplify accounting and to facilitate the payment of obligations, and thereby cleared the bill for the President.

Page 12550

Administrative Resolutions: Considered and adopted the following administrative resolutions:

Pledge of Allegiance: H. Con. Res. 258, accepting without cost to the United States copies of the recording, Pledge of Allegiance to the Flag, and providing for distribution of such copies;

Committee expenses: H. Res. 563, to provide additional funds for expenses of the study and investigation authorized by H. Res. 262;

Committee expenses: H. Res. 566, to provide additional funds for the expenses of the Committee on Merchant Marine and Fisheries; and

Committee expenses: H. Res. 595, to provide additional funds for the expenses of the study and investigation authorized by H. Res. 35.

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Meeting Hour: Pursuant to a unanimous-consent request the time was fixed at 11 a. m. for Monday's session of the House.

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Program for Saturday: Adjourned at 6:23 p. m. until Saturday, July 21, at 12 o'clock noon, when the House will consider the following bills:

H. R. 7992, to enact certain provisions now included on the Department of Defense Appropriation Act and the Civil Functions Appropriation Act (1 hour of debate);

S. 3732, to provide insurance against flood damage (1 hour of debate);

H. R. 9875, amending the Internal Revenue Code of 1954, to provide that the tax on admissions shall apply only with respect to that portion of the amount paid for any admission which is in excess of \$1 (1 hour of debate); and

H. R. 10433, relative to training of fishing industry personnel (1 hour of debate).

Committee Meetings

MILITARY REAL ESTATE

Committee on Armed Services: Subcommittee on Acquisitions and Disposals in executive session considered and approved various Army, Navy, and Air Force projects and received testimony thereon from departmental witnesses.

BANKING

Committee on Banking and Currency: In executive session ordered favorably reported to the House S. 256, eliminating cumulative voting of share of stock in the election of directors of national banking associations unless provided for in the articles of association. In a preliminary hearing testimony was received from Representative Multer, who opposed the proposed legislation.

FAIR LABOR STANDARDS ACT

Committee on Education and Labor: Special subcommittee concluded hearings on bills to amend the Fair Labor Standards Act. James Suffridge, president, Retail Clerks International Association, was the witness.

FOREIGN AFFAIRS

Committee on Foreign Affairs: Met in executive session for the consideration of committee business.

MISCELLANEOUS REPORTS

Committee on Government Operations: In executive session approved the following subcommittee reports: "Employment and Utilization of Experts and Consultants"; "Special Opinion Survey To Influence Postal Rate Legislation"; "Distribution of Surplus Agricultural Commodities to Schools and Institutions in Illinois"; "Availability of Information From Federal Departments and Agencies"; and the report of a Special Subcommittee on Federal Aid to Michigan Highways. These reports will be available on Tuesday, July 24.

FEDERAL POWER PROGRAM

Committee on Government Operations: Subcommittee on Public Works and Resources continued hearings in connection with the organized endeavor of certain private electric utilities to influence the Secretary of the Interior in regard to the Federal Power Program. Al Tudor, Arizona Public Service Co., was heard today and will continue his testimony on Monday, July 23.

COMMITTEE EXPENSES

Committee on House Administration: In executive session Subcommittee on Accounts ordered favorably reported to the full committee H. Res. 607, providing additional funds for the Ways and Means Committee for purpose of investigations.

RAILROAD RETIREMENT BENEFITS

Committee on Interstate and Foreign Commerce: In executive session adopted a committee amendment to

H. R. 9065, to amend the Railroad Retirement Act of 1937 to provide increases in benefits, which had been previously reported and this committee amendment provides generally for a 10-percent increase in benefits with certain exception.

MERCHANT MARINE MISCELLANY

Committee on Merchant Marine and Fisheries: In executive session ordered favorably reported to the House the following bills:

H. R. 12116 (amended), to provide for the conveyance of the Maritime Administration reserve shipyard at Wilmington, N. C.;

S. 3266, to authorize officers of the Coast and Geodetic Survey to act as notaries in places outside the continental limits of the United States and in Alaska;

S. 4011, relating to the Coast Guard Supply Fund;

S. J. Res. 187, to extend the operation of the Emergency Ship Repair Act of 1954;

H. J. Res. 685 and H. J. Res. 666 (amended), to authorize the Secretary of Commerce to sell certain war-built vessels; and

H. R. 12302, to provide for cooperative unit programs of research, education, and demonstration between the Federal Government of the United States, colleges, and universities, the several States and Territories, and private organizations.

In open hearing the committee considered the proposal of the Fish and Wildlife Service to lease a portion of the Kenai National Moose Range, Alaska, and received testimony from the following: Robert Johnson, Assistant Director for Wildlife, Fish and Wildlife Service; W. E. Ackernecht, Wildlife Refuge Management Section, Department of Interior; C. A. Callison, National Wildlife Federation. Statements for the record were submitted by C. R. Gutermuth, Wildlife Management Institute, and Michael Nadel, Wilderness Society.

BOTANIC GARDEN

Committee on Public Works: Subcommittee on Public Buildings and Grounds ordered favorably reported to the full committee S. 3881, authorizing the demolition and removal of greenhouses and other structures, and the replacement thereof, at the Botanic Garden, District of Columbia. Witnesses heard were J. George Stewart, Architect of the Capitol; C. A. Henlock, Ad-

ministrative Officer, and E. T. Rosengarth, Landscape Architect and Horticulturist, in Office of the Architect of the Capitol.

WAYS AND MEANS

Committee on Ways and Means: Met in executive session on members' bills but made no announcement and adjourned subject to call of the Chair.

Joint Committee Meetings

SOCIAL SECURITY

Conferees, in executive session, tentatively agreed to language for a conference report on H. R. 7225, Social Security Amendments of 1956. Conferees will meet again on Tuesday, July 24, for a final review of this report.

CONFERENCE REPORTS

Conferees, in executive session, agreed to file conference reports on the differences between the Senate- and House-passed versions of the following bills:

Agricultural trade development: S. 3903, to increase the amount authorized to be appropriated for purposes of title I of Agricultural Trade Development and Assistance Act of 1954;

Farmers' credit: H. R. 11544, to improve and simplify the credit facilities available to farmers and to amend the Bankhead-Jones Farm Tenant Act;

Pueblos: H. R. 5712, to provide that the U. S. hold in trust for the Pueblos of Zia and Jemez a part of the Ojo del Espiritu Santo grant and a small area of public domain adjacent thereto;

Verendrye Monument: H. R. 1774, to abolish the Verendrye National Monument and to convey certain land to the State of North Dakota;

Washoe reclamation: S. 497, authorizing construction, operation, and maintenance of the Washoe reclamation project, Nevada and California;

Private bill: H. R. 1637.

FISHING INDUSTRY

Conferees met in executive session to resolve the differences between the Senate- and House-passed versions of S. 3275, to establish a sound and comprehensive national policy with regard to fisheries resources, but did not complete its work and recessed subject to call.

BILLS SIGNED BY THE PRESIDENT

New Laws

(For last listing of public laws, see DIGEST, p. D841)

S. 2704, authorizing funds for construction of certain highway-railroad grade separations in D. C. Signed July 19, 1956 (P. L. 731);

S. 3246, to increase amount authorized for erection and equipment of buildings and facilities for National

Institute of Dental Research. Signed July 19, 1956 (P. L. 732);

S. 3982, to provide for the maintenance of production of tungsten, asbestos, fluorspar, and columbium-tantalum in the U. S., its Territories and possession. Signed July 19, 1956 (P. L. 733);

H. R. 11873, to eliminate delay in the start of watershed projects. Signed July 19, 1956 (P. L. 734);

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued July 25, 1956
For actions of July 24, 1956
84th-2nd, No. 127

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HIGHLIGHTS: Senate agreed to conference report on CCC borrowing bill. House received conference reports on watershed and Public Law 480 bills. Senate passed mutual security appropriation bill. Senate concurred in House amendments to bill to authorize USDA-State exchange of employees. House recommitted civilian atomic power bill. House committee submitted reports on surplus donations in Ill. and experts and consultants. Rep. Wilson, Ind., commended ACP. Sen. Aiken inserted USDA and BB reports on watershed bill. Sen. Humphrey criticized administration "attitude" toward farmer.

HOUSE

1. ELECTRIFICATION; ATOMIC ENERGY. By a 203-191 vote, agreed to a motion by Rep. Van Zandt to recommit H. R. 12061, to provide for a civilian atomic power acceleration program. p. 12996
2. SECOND SUPPLEMENTAL APPROPRIATION BILL, 1957. Passed with amendments this bill, H. R. 12350. The civilian atomic power item was stricken on a point of order raised by Rep. Cannon. p. 13040
3. AGRICULTURAL CONSERVATION PROGRAM. Rep. Wilson, Ind., commended this program and said he is glad USDA officials "have changed their attitude...and are pushing ahead" on the program. p. 13043
4. FORESTRY; ELECTRIFICATION. Rep. Dingell spoke on "give aways" and mentioned the Al Sarena mine case, the grazing bill, and the Dixon-Yates contract. p. 13053

5. SURPLUS COMMODITIES; PERSONNEL. The Government Operations Committee submitted investigation reports on distribution cost of surplus commodities donated to schools and institutions in Ill. (H. Rept. 2893) and employment and utilization of experts and consultants (H. Rept. 2894). p. 13060
6. AIR POLLUTION. The Small Business Committee submitted a report on air pollution problems (H. Rept. 2895). p. 13060
7. ELECTRIFICATION. The Rules Committee reported a resolution for consideration of S. 3338, relating to rates charged to public bodies and cooperatives for electric power generated at Federal projects. p. 13060
8. FORESTRY. The conferees agreed to report (but did not actually report) on H. R. 5712, to provide that the U. S. hold in trust for the Pueblos of Zia and Jemez a part of the Ojo del Espiritu Santo Grant and a small area of public domain adjacent thereto. p. D876
9. SURPLUS COMMODITIES; FOREIGN TRADE. Received the conference report on S. 3903, to increase from \$1.5 billion to \$3 billion the authorization under title 1 of the Agricultural Trade Development and Assistance Act. p. 13056
10. WATERSHEDS. Received the conference report on H. R. 8750, to make various amendments to the Watershed Protection and Flood Prevention Act. p. 13055
11. LEGISLATIVE PROGRAM. The "Daily Digest" states that the housing, flood insurance, and fisheries bills will be considered today. p. D875

SENATE

12. CCC. Agreed to the conference report on S. 3820, to increase the borrowing authority of the CCC from \$12 billion to \$14.5 billion, make it a Federal offense to willfully steal or convert property mortgaged to a lending agency under a CCC program, and provide that offenses under the Act involving amounts of \$500 or less be reduced from a felony to a misdemeanor. This bill will now be sent to the President. p. 12948
13. EDUCATION. Concurred in the House amendments to S. 1915, to permit the exchange of employees of this Department with those of State political subdivisions or educational institutions. This bill will now be sent to the President. p. 12947
Sen. Johnson commended the Senate for passage of bill for assistance to schools in areas affected by Federal activities. p. 12972
14. LANDS. Agreed to the conference report on H. R. 5712, to transfer certain title III Bankhead-Jones lands to the Indians of the Zia and Jemez pueblos in N. Mex. p. 12957
15. WATERSHEDS. Sen. Aiken inserted and commented on communications from this Department and the Budget Bureau relative to the Administration's position on H. R. 8750, to amend the Watershed Protection and Flood Prevention Act. p. 12966
16. APPROPRIATIONS. The Appropriations Committee reported H. R. 12350, the second supplemental appropriation bill for 1957 (S. Rept. 2770). Sen. Douglas objected to immediate consideration of the measure. pp. 12968, 12988 (For provisions of interest to this Department see item 30, this Digest)

AMENDMENTS TO PUBLIC LAW 480, 83D CONGRESS

JULY 24, 1956.—Ordered to be printed

Mr. COOLEY, from the committee of conference, submitted the following

CONFERENCE REPORT

[To accompany S. 3903]

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 3903) to amend the Agricultural Trade Development and Assistance Act of 1954, as amended, so as to increase the amount authorized to be appropriated for purposes of title I of the Act, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the House amendment insert the following: *That section 103 (b) of the Agricultural Trade Development and Assistance Act of 1954, as amended (Public Law 480, Eighty-third Congress), is amended by striking out "\$1,500,000,000" and inserting in lieu thereof "\$3,000,000,000".*

SEC. 2. Section 104 of the Act is amended by inserting after subsection (i) the following new subsection:

"(j) For providing assistance to activities and projects authorized by section 203 of the United States Information and Educational Exchange Act of 1948, as amended (22 U. S. C. 1448), but no foreign currencies which are available under the terms of any agreement for appropriation for the general use of the United States shall be used for the purposes of this subsection (j) without appropriation therefor."

SEC. 3. Sales of fresh fruit and the products thereof under title I of the Act shall be exempt from the requirements of the cargo preference laws (Public Resolution 17, Seventy-third Congress (15 U. S. C. 616a) and section 901 (b) of the Merchant Marine Act, 1936 (46 U. S. C. 1241 (b))).

SEC. 4. Section 201 of the Act is amended by inserting after the word

“urgent” wherever it occurs in said section the words “or extraordinary”.
And the House agree to the same.

HAROLD D. COOLEY,
W. R. POAGE,
GEORGE M. GRANT,
CLIFFORD R. HOPE,
AUG. H. ANDRESEN,

Managers on the Part of the House.

ALLEN J. ELLENDER,
OLIN D. JOHNSTON,
SPESSARD L. HOLLAND,
GEORGE D. AIKEN,
MILTON R. YOUNG,

Managers on the Part of the Senate.

STATEMENT OF THE MANAGERS ON THE PART OF THE HOUSE

The managers on the part of the House at the conference on the disagreeing votes of the two Houses to the amendment of the House to the bill (S. 3903) to amend the Agricultural Trade Development and Assistance Act of 1954, as amended, so as to increase the amount authorized to be appropriated for purposes of title I of the act, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report:

The House struck out all after the enacting clause of the Senate bill and inserted language differing from the Senate language in several respects. The conferees have agreed upon a substitute amendment which differs from the House amendment in the following respects (references are to sections in the conference report):

Section 1 of the bill was identical in both the Senate bill and the House amendment and has, therefore, not been changed.

Section 2 of the conference bill is the language of section 2 of the Senate bill amended so as to make it clear that the provision is not an appropriation but merely an extension of the existing authority of the President as to the manner in which the foreign currencies accruing under the act may be used.

Section 2 of the House amendment has been eliminated from the conference compromise because the provisions therein made no change in existing law.

Subsection (a) merely restated the construction of the existing section 304 of the act. In this connection, it is pointed out that section 304 does not apply to any transactions beyond the scope of the act and should not be construed to apply to dollar sales.

Subsection (b) was a restatement of the policy under which sales authorized by the act are now being conducted—a policy which it is the intention of the conferees should be continued—but while adding nothing to the policy, would have required administrative determinations in connection with each transaction under the act which would have added substantially to the complexity and the cost of administration.

Section 3 of the conference bill adopts substantially the language of the Senate provision, which was deemed preferable by the conferees in order to make it clear that dried fruits, such as prunes, raisins, etc., are eligible for inclusion within the provisions of the section, and that a ship might carry a combined cargo consisting of both fresh fruits and canned or other processed fruits and would not be limited to a cargo of one type only.

Section 4 of the conference bill is the language of section 4 of the House amendment and did not appear in the Senate bill. It was accepted by the conferees in order to broaden the operations under

section 201 of the act to permit use of food donated thereunder for refugees and other continuing "extraordinary" requirements.

HAROLD D. COOLEY,
W. R. POAGE,
GEORGE M. GRANT,
CLIFFORD R. HOPE,
AUG. H. ANDRESEN,

Managers on the Part of the House.



the purpose of duck stamps and a real breach of the sportsmen's trust. For example, while negotiating for the purchase of land by duck stamp funds Secretary McKay was at the same time completing negotiations for oil leasing in those same tracts of land.

Mr. UTT. Mr. Speaker, in view of the fact that the hour is late and everything being said here has nothing to do with the business of the House, I wonder if the gentleman from Michigan and the gentleman from Wisconsin would not be willing to insert the balance of their remarks in the RECORD so that the working crew can go home. I may suggest in asking that that I will suggest that a quorum is not present unless this request is acceded to.

Mr. DINGELL. Let me say to my colleague that if he will let me read just a little bit more, I will ask unanimous consent to revise and extend my remarks.

Mr. UTT. I was overruled on the point of order, on which I think I was correct, and I shall stand on the request that the gentlemen insert the balance of their remarks in the RECORD.

Mr. REUSS. Mr. Speaker, I ask unanimous consent that the gentleman from Michigan be permitted to revise and extend his remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. DINGELL. By reason of the objection of the gentleman from California, I will insert the rest of my remarks.

The mismanagement of these vital resources was so flagrant that officials of the Fish and Wildlife Service admitted in the hearing they were not consulted as to leasing. They often did not even know of the granting of leases until they saw the drilling rig either going up, drilling, or pumping oil.

The situation is such that the dear God alone knows how many leases were granted. Certainly the testimony shows that no one in the Department of Interior did. It appears that no one in the Department knew what the situation was and all gave widely conflicting figures. No clear policy was ever fixed as to who could or should grant these leases. It appears in the hearings that almost all branches of the Department in Washington and in the field granted leases with a wild abandon and in complete disregard of the Fish and Wildlife Service and the functions of the refuge program.

It is interesting to note that the Secretary violated, or ignored his own stop order some 54 times. This order was issued by Mr. McKay to stop leasing pending new regulations on the subject of oil and gas leases. It had the effect of giving very substantial preferences to certain favored leasees over the rest of the public and over others who had applications pending for leases.

While some wildlife refuge areas were set aside as inviolate refuges it shows at page 170 of the hearings that these were set aside as inviolate from leasing, and other exploitation not for their wildlife value but because they were geologically barren. I quote from the testimony of Mr. Arthur A. Reimer, Chief, Branch of

Lands, Fish and Wildlife Service, at page 170:

Mr. DINGELL. Actually it would appear that this Okefenokee area is a geologically barren area as for minerals. Isn't that a fact?

Mr. RIEMER. It would appear so, so far.

Mr. DINGELL. Subject to this later evidence which you are going to give us as to mineralization in these areas, it would appear that actually the areas which are preserved as inviolate are actually areas which are barren of mineral resources. Is that not a fact?

Mr. RIEMER. As far as we know.

The conclusion from this is that we must maintain unimpaired our vigilance to protect our fast-dwindling resources from the spoilers who would destroy this priceless asset. It is clear that Mr. McKay did not protect our priceless resources.

In conclusion, I submit these figures. Some five-hundred-and-ninety-odd leases were granted in Federal wildlife refuges in 3-odd years of Republican administration. This figure is not exact because of conflict in administration testimony. At least 193 were issued after an order was promulgated by Mr. McKay supposedly halting this practice. The chief of the branch of lands of the Fish and Wildlife Service knew of only 15 of all this vast number of leases. From 1922 to August 31, 1953, over 30 years preceding this only 25 leases were issued on refuge lands.

This is a part of the conservation record of the present administration. It is all found in a report signed by Democrats and Republicans alike. I hope the people will scrutinize this affair closely.

CONFERENCE REPORTS ON H. R. 8750 AND S. 3903

Mr. MURRAY of Illinois. Mr. Speaker, I ask unanimous consent that the gentleman from North Carolina [Mr. COOLEY] may have until midnight tonight to file conference reports on the bills H. R. 8750 and S. 3903.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The conference reports and statements follow:

CONFERENCE REPORT (H. REPT. No. 2902)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 8750) to amend the Watershed Protection and Flood Prevention Act, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following: "That the Watershed Protection and Flood Prevention Act (68 Stat. 666) is amended as follows:

"(a) Amend the second and third sentences of section 2 to read as follows: "Works of improvement" any undertaking for—

"(1) flood prevention (including structural and land treatment measures) or

"(2) the conservation, development, utilization, and disposal of water

in watershed or subwatershed areas not exceeding two hundred and fifty thousand

acres and not including any single structure which provides more than five thousand acre-feet of floodwater detention capacity, and more than twenty-five thousand acre-feet of total capacity. No appropriation shall be made for any plan involving an estimated Federal contribution to construction costs in excess of \$250,000, or which includes any structure which provides more than twenty-five hundred acre-feet of total capacity unless such plan has been approved by resolutions adopted by the appropriate committees of the Senate and House of Representatives: *Provided*, That in the case of any plan involving no single structure providing more than 4,000 acre-feet of total capacity the appropriate committees shall be the Committee on Agriculture and Forestry of the Senate and the Committee on Agriculture of the House of Representatives and in the case of any plan involving any single structure of more than 4,000 acre-feet of total capacity the appropriate committees shall be the Committee on Public Works of the Senate and the Committee on Public Works of the House of Representatives, respectively.

"(b) Amend section 3 by striking out clause (2), and inserting in lieu thereof the following:

"(2) to prepare plans and estimates required for adequate engineering evaluation;

"(3) to make allocations of costs to the various purposes to show the basis of such allocations and to determine whether benefits exceed costs;

and by renumbering clauses (3) and (4) as (4) and (5) respectively.

"(c) Amend clause (2) of section 4 to read as follows:

"(2) assume (A) such proportionate share, as is determined by the Secretary to be equitable in consideration of the direct identifiable benefits, of the costs of installing any works of improvement, involving Federal assistance, which is applicable to the agricultural phases of the conservation, development, utilization, and disposal of water, and (B) all of the cost of installing any portion of such works applicable to other purposes except that any part of the construction cost (including engineering costs) applicable to flood prevention and features relating thereto shall be borne by the Federal Government and paid for by the Secretary out of funds appropriated for the purposes of this Act;

"(d) Add after the word 'landowners' in clause (4) in section 4, the words 'or water users'.

"(e) Strike out the word 'and' at the end of clause (4) in section 4; strike out the period at the end of clause (5) and insert in lieu thereof a semicolon and the word 'and'; and after clause (5) insert a new clause as follows:

"(6) submit a plan of repayment satisfactory to the Secretary for any loan or advancement made under the provisions of section 8.

"(f) Amend section 5 to read as follows:

"Sec. 5. At such time as the Secretary and the interested local organization have agreed on a plan for works of improvement, and the Secretary has determined that the benefits exceed the costs, and the local organization has met the requirements for participation in carrying out the works of improvement as set forth in section 4, the local organization with such assistance as it may request from the Secretary, which assistance the Secretary is hereby authorized to give, shall secure engineering and other services, including the design, preparation of contracts and specifications, awarding of contracts, and supervision of construction, in connection with such works of improvement, and in order to properly carry out such services in such projects as to such structures therein providing for municipal or industrial water supplies, the

local organization shall, and in such projects not providing for municipal or industrial water supplies, the local organization may, retain or employ a professional engineer or engineers satisfactory to the Secretary, and the Secretary shall reimburse the local organization for the cost it may incur for the services of such engineer or engineers as is properly chargeable to such works of improvement, except that if the local organization decides not to retain or employ a professional engineer or if the Secretary determines that competent engineering services are not available he may contract for a competent engineer to provide such services or arrange for employees of the Federal Government to provide such services: *Provided*, That at the request of the local organization which retains or employs a professional engineer or engineers as aforesaid, the Secretary may advance such amounts as may be necessary to pay for such services, but such advances with respect to any works of improvement shall not exceed 5 per centum of the estimated total cost of such works: *Provided further*, That, except as to the installation of works of improvement on Federal lands, the Secretary shall not construct or enter into any contract for the construction of any structure unless there is no local organization authorized by State law to undertake such construction or to enter into such contract, and in no event after July 1, 1956: *Provided*, That in participating in the installation of such works of improvement the Secretary, as far as practicable and consistent with his responsibilities for administering the overall national agricultural program, shall utilize the authority conferred upon him by the provisions of this Act: *Provided further*, That whenever the estimated Federal contribution to the construction cost of works of improvement in any watershed or subwatershed area shall exceed \$250,000 or the works of improvement include any structure having a total capacity in excess of twenty-five hundred acre-feet, the Secretary shall transmit a copy of the plan and the justification therefor to the Congress through the President: *Provided further*, That any such plan involving an estimated Federal contribution to construction costs in excess of \$250,000 or containing any structure having a total capacity in excess of twenty-five hundred acre-feet (a) which includes reclamation or irrigation works or which affects public or other lands or wildlife under the jurisdiction of the Secretary of the Interior, or (b) which includes Federal assistance for flood-water detention structures, shall be submitted to the Secretary of the Interior or the Secretary of the Army, respectively, for his views and recommendations at least thirty days prior to transmission of the plan to the Congress through the President. The views and recommendations of the Secretary of the Interior, and the Secretary of the Army, if received by the Secretary of Agriculture prior to the expiration of the above thirty-day period, shall accompany the plan transmitted by the Secretary of Agriculture to the Congress through the President: *Provided further*, That, prior to any Federal participation in the works improvement under this Act, the President shall issue such rules and regulations as he deems necessary or desirable to carry out the purposes of this Act, and to assure the coordination of the work authorized under this Act and related work of other agencies including the Department of the Interior and the Department of the Army.

"(g) After section 7 insert the following two new sections and renumber subsequent sections of the Act to conform:

"Sec. 8. The Secretary is authorized to make loans or advancements to local organizations to finance the local share of costs of carrying out works of improvement provided for in this Act. Such loans or advancements shall be made under contracts or agree-

ments which will provide, under such terms and conditions as the Secretary deems appropriate, for the repayment thereof in not more than fifty years from the date when the principal benefits of the works of improvement first become available, with interest at the average rate, as determined by the Secretary of the Treasury, payable by the Treasury upon its marketable public obligations outstanding at the beginning of the fiscal year in which the loan or advancement is made, which are neither due nor callable for redemption for fifteen years from date of issue. With respect to any single plan for works of improvement, the amount of any such loan or advancement shall not exceed five million dollars.

"SEC. 9. The provisions of this Act shall be applicable to Hawaii, Alaska, Puerto Rico, and the Virgin Islands."

"SEC. 2. The amendments made by this Act shall be applicable to all works of improvement and plans for such works under the provisions of the Watershed Protection and Flood Prevention Act. Any plans for works of improvement with respect to which the Secretary of Agriculture was authorized prior to the date of this Act to participate in the installation of works of improvement in accordance with such plan, or any plan for works of improvement which has received prior to the date of this Act the approval of congressional committees, as required by such Act, need not be submitted to the congressional committees as required by the Watershed Protection and Flood Prevention Act as amended by this Act."

And the Senate agree to the same.

HAROLD D. COOLEY,
W. R. POAGE,
GEORGE M. GRANT,
CLIFFORD R. HOPE,
AUGUST H. ANDRESEN,

Managers on the Part of the House.

DENNIS CHAVEZ,
ROBERT S. KERR,
ALBERT GORE,
PAT McNAMARA,
EDWARD MARTIN,
FRANCIS CASE,
ROMAN L. HRUSKA,

Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 8750) to amend the Watershed Protection and Flood Prevention Act submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying report:

The Senate amendment struck out all after the enacting clause of the House bill and inserted language differing in a number of respects from that adopted by the House. The conference report herewith submitted is a substitute amendment which differs from the House provisions of the bill in the following major respects:

(1) The waiting period of 45 days (recently reduced to 15 by H. R. 11873) before work can start on a project after the plans have been submitted to Congress, and the requirement in existing law that projects involving dams above a certain size must also be approved by the Committees on Agriculture before appropriations may be made, is replaced by a new provision that—

(a) Exempts projects involving less than \$250,000 of Federal contribution to construction costs and containing no structure having more than 2,500 acre-feet capacity from the review by other Federal agencies and the Congress;

(b) Eliminates the waiting period presently contained in the act; but

(c) Requires approval by the "appropriate committees" of all projects submitted to Congress before appropriations therefor may be made and declares that in the case of

projects not involving a structure providing more than 4,000 acre feet of total capacity, the appropriate committees will be the Agriculture Committees of the House and Senate and that in the case of projects involving any structure with a total capacity in excess of 4,000 acre feet, the Public Works Committees of the House and Senate shall be the appropriate committees.

(2) Revises section 5 of the act to provide for the employment of professional engineers and other professional services for the design, preparation of contracts and specifications, awarding of contracts and supervision of construction. In the case of structures for municipal or industrial water supplies the local organization is required to secure such professional services but must be reimbursed by the Secretary of Agriculture for the cost of such services. In the case of other types of structures and facilities authorized under the act, the local organization may retain such professional assistance or may call upon the Secretary to perform any or all of such services for the local organization. This will not preclude use of both Government and private engineers on multiple-use structures. Although the wording of section 5 as agreed upon by the conferees is substantially different from the existing section in the act, it does not change nor diminish in any respect the authority and responsibility of the Secretary to cooperate with local agencies in all phases of the planning, development and construction of works of improvement authorized by the act and to participate fully in such planning and construction to the extent agreed upon between the Secretary and the responsible local agency.

(3) Places an upper limit of 25,000 acre feet total capacity on the size of any single structure which may be included in a watershed plan.

(4) Requires the preparation of plans and estimates needed for "adequate engineering evaluation".

(5) Requires an allocation of costs to various purposes.

(6) Broadens the safeguarding of State water rights by making the act applicable to "water users" as well as "land owners".

(7) Provides that Federal loans or advancements to local organizations may not exceed five million dollars on any one project.

(8) Extends the benefits of the amendments to the act made by this bill to projects heretofore authorized.

HAROLD D. COOLEY,
W. R. POAGE,
GEORGE M. GRANT,
CLIFFORD R. HOPE,
AUGUST H. ANDRESEN,

Managers on the Part of the House.

CONFERENCE REPORT (H. REPT. NO. 2903)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 3903) to amend the Agricultural Trade Development and Assistance Act of 1954, as amended, so as to increase the amount authorized to be appropriated for purposes of title I of the Act, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the House amendment insert the following: "That section 103 (b) of the Agricultural Trade Development and Assistance Act of 1954, as amended (Public Law 480, Eighty-third Congress), is amended by striking out '\$1,500,000,000' and inserting in lieu thereof '\$3,000,000,000'."

"SEC. 2. Section 104 of the Act is amended by inserting after subsection (i) the following new subsection:

"(j) For providing assistance to activities and projects authorized by section 203 of the United States Information and Educational Exchange Act of 1948, as amended (22 U. S. C. 1448), but no foreign currencies which are available under the terms of any agreement for appropriation for the general use of the United States shall be used for the purposes of this subsection (j) without appropriation therefor."

"Sec. 3. Sales of fruit and the products thereof under title I of the Act shall be exempt from the requirements of the cargo preference laws (Public Resolution 17, Seventy-third Congress (15 U. S. C. 616a) and section 901 (b) of the Merchant Marine Act, 1936 (46 U. S. C. 1241 (b)))."

"Sec. 4. Section 201 of the Act is amended by inserting after the word 'urgent' wherever it occurs in said section the words 'or extraordinary'."

And the House agree to the same.

HAROLD D. COOLEY,
W. R. POAGE,
GEORGE M. GRANT,
CLIFFORD R. HOPE,
AUG. H. ANDRESEN,

Managers on the Part of the House.

ALLEN J. ELLENDER,
OLIN D. JOHNSTON,
SPESSARD L. HOLLAND,
GEORGE D. AIKEN,
MILTON R. YOUNG,

Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses to the amendment of the House to the bill (S. 3903) to amend the Agricultural Trade Development and Assistance Act of 1954, as amended, so as to increase the amount authorized to be appropriated for purposes of title I of the act, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report:

The House struck out all after the enacting clause of the Senate bill and inserted language differing from the Senate language in several respects. The conferees have agreed upon a substitute amendment which differs from the House amendment in the following respect (references are to sections in the conference report):

Section 1 of the bill was identical in both the Senate bill and the House amendment and has, therefore, not been changed.

Section 2 of the conference bill is the language of section 2 of the Senate bill amended so as to make it clear that the provision is not an appropriation but merely an extension of the existing authority of the President as to the manner in which the foreign currencies accruing under the act may be used.

Section 2 of the House amendment has been eliminated from the conference compromise because the provisions therein made no change in existing law.

Subsection (a) merely restated the construction of the existing section 304 of the act. In this connection it is pointed out that section 304 does not apply to any transactions beyond the scope of the act and should not be construed to apply to dollar sales.

Subsection (b) was a restatement of the policy under which sales authorized by the act are now being conducted—a policy which it is the intention of the conferees should be continued—but while adding nothing to the policy, would have required administrative determinations in connection with each transaction under the act which would have added substantially to the complexity and the cost of administration.

Section 3 of the conference bill adopts substantially the language of the Senate provision, which was deemed preferable by the

conferees in order to make it clear that dried fruits, such as prunes, raisins, etc., are eligible for inclusion within the provisions of the section, and that a ship might carry a combined cargo consisting of both fresh fruits and canned or other processed fruits and would not be limited to a cargo of one type only.

Section 4 of the conference bill is the language of section 4 of the House amendment and did not appear in the Senate bill. It was accepted by the conferees in order to broaden the operations under section 201 of the act to permit use of food donated thereunder for refugees and other continuing "extraordinary" requirements.

HAROLD D. COOLEY,
W. R. POAGE,
GEORGE M. GRANT,
CLIFFORD R. HOPE,
AUG. H. ANDRESEN,

Managers on the Part of the House.

H. R. 8902

The SPEAKER pro tempore. Under previous order of the House the gentleman from Massachusetts [Mr. HESELTON] is recognized for 20 minutes.

Mr. HESELTON. Mr. Speaker, it has been argued that passage of this bill is essential to the adequate financing of the purchase of modern aircraft equipment by the smaller trunklines and the local service carriers.

In that connection, the following five instances will be of interest to Members who must pass upon the wisdom of this legislative proposal:

TWO SMALL TRUNKLINES

Continental in 1955-56 borrowed \$4,400,000, repayment to start 2 years later and run for 6 years. Also issued \$4,125,000 of convertible debentures.

Northeast in 1956 borrowed \$1,670,000, repayment to start 2 years later and run for 5 years.

THREE LOCAL SERVICE CARRIERS

Allegheny in 1955 borrowed \$1,575,000, repayment in 5 years.

Mohawk in 1955 borrowed \$2 million, repayment of \$400,000 in 2 years and the rest in 5 years. It also sold \$360,000 worth of common stock.

Southwest in 1956 borrowed \$650,000, repayment in 4 years.

In this connection, it is interesting to note that a news story from London late this afternoon states that Capital Airlines has agreed to buy 14 DeHavilland Comet jet passenger planes at a total cost of \$53 million and that this airline has also purchased 15 more Vickers Viscount turbojet planes at a cost of \$15,400,000.

In terms of the excellent increasing business of airlines, it is pertinent to note that on July 20, according to the Civil Aeronautics Administration, 8 United States cities reported boarding a million or more passengers in 1955. There were only 5 such cities in 1954. Also, nationally, the passenger increase went from 31,657,852 in 1954 to 37,226,432 in 1955, an increase of 17.59 percent.

Since there were two typographical errors in the printing of the amendment in the RECORD, July 18, page 12188, which was recommended by the Bureau of the Budget and which I intend to offer, I include here a corrected copy, as follows:

Amendment offered by Mr. HESELTON, page 2, line 11: Strike out all of lines 11 through 22, inclusive, and insert in place thereof the following:

"(2) In determining all other revenue of the air carrier, the Board shall not take into account the net gains (after any losses and expenses resulting from the disposition of flight equipment) derived from the disposition of any flight equipment of such carrier, if (A) such carrier notifies the Board in writing that it intends to reinvest in other flight equipment the proceeds derived from such disposition, (B) such proceeds, less all applicable taxes, are placed by such carrier in a funded reinvestment reserve immediately upon the receipt thereof, and (C) within a reasonable period to be determined and fixed by the Board, such proceeds are actually reinvested in other flight equipment by such carrier.

"(3) Hereafter in determining that portion of the carrier's mail rate which is payable by the Board (which portion is hereinafter referred to as 'subsidy') the Board shall compute such carrier's depreciation expense and return on investment after first deducting the net gains not taken into account in determining all other revenue of such carrier from the original cost to such carrier of the flight equipment in which such net gains have been reinvested.

"(4) In the event the Board determines that the carrier no longer requires subsidy, there shall be deducted from all subsidy to be paid to such carrier after the effective date of this amendment, or there shall be otherwise recovered from such carrier, an amount equal to the total net gains not taken into account in determining all other revenue of such carrier minus the total amounts by which such carrier's depreciation expense has been reduced on account of and solely by the application of paragraph (3) above. Such amount shall be determined as of the date the carrier no longer requires subsidy."

I have been handed a column written by Ray Tucker, which is printed in the Richmond (Va.) Times Dispatch of today. This is distributed in other parts of the country by the McClure Newspaper Syndicate.

I have eliminated all references to the other body in the column in compliance with the rule of comity. Anyone interested in the complete column can examine it in the Library of Congress files.

As so edited, it follows:

EXCESSIVE AIRLINES SUBSIDIES

(By Ray Tucker)

WASHINGTON.—American taxpayers would be nicked for many millions of dollars under a * * * proposal to hand hidden subsidies to a few great and profitable commercial airlines. Only a threatened Presidential veto may kill what Comptroller General Joseph Campbell calls an unwarranted burden upon the taxpayers.

Under existing law, the airlines are guaranteed an 8-percent return on their investment. If profits fall below that figure, Uncle Sam makes up the difference. The present law also provides that, if the lines sell planes or other equipment, the money from the sale must be listed as income. The amount received reduces the subsidy paid from the Treasury.

The proposed amendment would relieve the firms from including money from these sales as income. They would simply put it in their pockets, with the result that the Federal subsidies would have to be increased by many millions of dollars. They now total about \$46 million a year.

The scheme has been condemned in formal opinions by the Comptroller General, the Budget Bureau, the Civil Aeronautics Board,

and the Commerce Department. Even Commerce Secretary Sinclair Weeks, who is extremely partial to the giant airlines, did not approve it.

* * * It has been reported favorably by the House Interstate and Foreign Commerce Committee. The measure was approved by the House Rules Committee at a special meeting, with the lobbyists confident of success at the current session. Their only fear is White House disapproval, which is also the taxpayers' only hope of release, according to opponents of the measure.

Under one estimate submitted to * * * Committees, the future cost to the taxpayers would be \$101,000,000. Of this amount, a single firm—Pan American World Airways—would drag down \$51,000,000. Only about \$12 million would be distributed among more than 30 small feeder lines, although it is their inclusion in the plan which rounded up so many * * * votes. The members thought they were helping local industries.

CAB Chairman James Durfee has submitted a more conservative estimate of the cost. Based on actual sales of equipment, he says that, if the hidden subsidy scheme had been in effect for the last 5 years, it would have meant an additional \$22 million to the airlines. That figure will run far higher in the immediate future, for the changeover to jets will release a large amount of planes and other equipment for sale.

Chairman Durfee's figures destroy the contention that small, regional feeder lines would derive great benefit from the "give-away." Of the \$22 million, a total of \$21,498,000 would go to four great lines as follows: Pan American, \$17,288,000; Braniff, \$1,515,000; Delta, \$1,400,000; Trans World, \$1,295,000. The local firms would split only \$502,000.

* * * It was noted that no other industry or individual enjoys the financial or book-keeping favors which * * * House bill 8902 would confer on a few great and lucrative airlines. If a farmer sells a tractor, he must figure the payment he receives in his profit-and-loss accounting. Nor is he guaranteed an 8 percent return.

I have not been able at this time to verify all the figures used by Mr. Tucker but I call attention to the fact that the amounts listed as that which would have been paid to Pan American, Braniff, Delta and Trans-World—International—had this proposal been law in the last 5 calendar years, will be found in the tabulation prepared by the Department of Commerce, which I included in the minority report and restated in the RECORD, July 18, page 12187.

I have no knowledge as to whether the lobbyists mentioned by Mr. Tucker have been or are "confident of success at the current session." I do know of the intensive and sustained efforts Pan American has made to urge passage of this bill by the House in these dying days of this session.

Nor have I any knowledge as to whether any lobbyists have any one fear as to the outcome, as Mr. Tucker states.

But, if they are not concerned about the House action, I hope and believe they will be in for a definite, even though rude, awakening, if it is possible to advise the Members of the House, before the proposal reaches a final vote, of the strong and sound opposition which has been expressed by the Comptroller General, the Bureau of the Budget and Vice Chairman Joseph P. Adams of the Civil Aeronautics Board.

While I have attempted to make this opposition clear in the minority report and through recent special orders, I shall also try to summarize it during whatever brief time I can obtain, if and when this bill reaches the House floor for consideration.

And I shall try to use every legislative means available to insure that those of my colleagues who wish to disapprove of this proposal can do so.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. O'HARA of Illinois for 20 minutes on Thursday.

Mr. VANIK, for 10 minutes on Thursday.

Mrs. ROGERS of Massachusetts, for 5 minutes tomorrow.

Mr. PHILLIPS, for 5 minutes tomorrow.

Mr. PHILLIPS, for 15 minutes on Thursday, July 26, 1956.

Mr. HESELTON, for 20 minutes tomorrow.

Mr. MURRAY of Illinois, for 10 minutes on Thursday, July 26, 1956.

Mr. RIVERS, to transfer the special order of 1 hour granted him for today to tomorrow.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the Appendix of the RECORD, or to revise and extend remarks, was granted to:

Mr. ROBSION of Kentucky and to include extraneous matter.

Mr. TABER, the remarks he made in the Committee today on the atomic energy bill, and also on the second supplemental appropriation bill.

Mr. PHILLIPS to revise and extend his remarks made on the atomic energy bill and to include extraneous matter.

Mr. EDMONDSON and to include an article.

Mr. PHILBIN in three instances and to include extraneous matter.

Mr. DODD in three instances and to include extraneous matter.

Mr. DONOHUE in three instances and to include extraneous matter.

Mr. HAYS of Ohio (at the request of Mr. ROOSEVELT) and to include extraneous matter.

Mr. CHRISTOPHER and to include extraneous matter.

Mr. DINGELL and also his remarks made in Committee of the Whole and to include newspaper articles and editorials.

Mr. ENGLE in two instances and to include extraneous matter.

Mr. HAYS of Arkansas in two instances and to include extraneous matter.

Mr. MURRAY of Illinois and to include extraneous matter.

Mr. PATTERSON in five instances and to include extraneous matter.

Mr. WESTLAND.

Mr. CRETELLA and to include extraneous matter.

Mr. BURDICK.

Mr. AVERY in two instances and to include extraneous matter.

Mr. BROWNSON in five instances and to include extraneous matter.

Mr. JUDD in three instances and to include extraneous matter.

Mr. WIGGLESWORTH in three instances and to include extraneous matter.

Mr. VURSELL in three instances and to include extraneous matter.

Mr. SPRINGER in two instances and to include extraneous matter.

Mr. HESELTON in three instances in each to include extraneous matter.

Mrs. ROGERS of Massachusetts and to include an editorial.

Mr. KEARNEY (at the request of Mr. UTT).

Mr. HOEVEN (at the request of Mr. UTT).

Mr. HESS (at the request of Mr. UTT) and to include extraneous matter.

Mr. ELLSWORTH (at the request of Mr. UTT) and to include extraneous matter in three instances.

Mr. MULTER in three instances and to include extraneous matter.

Mr. ROONEY (at the request of Mr. ALBERT) and include a radio interview given by the majority leader, the gentleman from Massachusetts [Mr. McCormack].

Mr. EBERHARTER (at the request of Mr. ALBERT) and include extraneous matter.

Mr. HOLLAND (at the request of Mr. ALBERT) and include extraneous matter.

Mr. FLOOD (at the request of Mr. ALBERT) in two instances, in each to include extraneous matter.

Mr. KLEIN (at the request of Mr. ALBERT) in six instances, in each to include extraneous matter.

Mr. FORRESTER and to include extraneous matter.

Mr. CUNNINGHAM and to include a newspaper article.

Mr. WILSON of Indiana and to include an editorial appearing in the Madison Courier-Journal in behalf of service and seniority in the United States Congress.

Mr. COOLEY (at the request of Mr. MURRAY of Illinois) in two instances and to include extraneous matter.

SENATE BILLS AND JOINT RESOLUTIONS REFERRED

Bills and joint resolutions of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 1355. An act for the relief of William Luke Phalen; to the Committee on the Judiciary.

S. 1494. An act to authorize the Secretary of Agriculture to sell to the village of Central, State of New Mexico, certain lands administered by him formerly part of the Fort Bayard Military Reservation, N. Mex.; to the Committee on Agriculture.

S. 1636. An act to establish an Advisory and Research Committee on Humane Slaughter of Livestock and Poultry; to the Committee on Agriculture.

S. 1669. An act for the relief of Dr. Milan Gavrilovic; to the Committee on the Judiciary.

S. 1783. An act for the relief of Mary Palanuk; to the Committee on the Judiciary.

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24. FARM LOANS. Both Houses agreed to the conference report (see Digest 125) on H. R. 11544, to improve and simplify the credit facilities available to farmers and to amend the Bankhead-Jones Farm Tenant Act. This bill is now ready for the President. pp. 13231, 13293
25. WATERSHEDS. Both Houses agreed to the conference report on H. R. 8750, to amend the Watershed Protection and Flood Prevention Act. This bill is now ready for the President. pp. 13231, 13293
26. FOREIGN TRADE; SURPLUS COMMODITIES. Both Houses agreed to the conference report on S. 3903, to increase from \$1.5 billion to \$3 billion the authorization under title I of the Agricultural Trade Development and Assistance Act. This bill is now ready for the President. pp. 13232, 13293
27. FOREIGN AID. Conferees were appointed, and later the conference report was received on H. R. 12130, the mutual security appropriation bill for 1957. The conference report includes provisions: Appropriating \$250 million for development assistance, deleting Senate language continuing funds available until June 30, 1958; appropriating \$135 million for technical assistance (instead of \$140,500,000 as proposed by the Senate), and \$15,500,000 for U. N. technical assistance (instead of \$10 million as proposed by the House); appropriating \$2,500,000 for ocean freight charges (instead of \$1,400,000 as proposed by the House and \$3,000,000 as proposed by the Senate). (H. Rept. 2931). pp. 13124, 13253
28. HOUSING. Passed with amendment H. R. 11742, to extend and amend laws relating to the provision and improvement of housing and the conservation and development of urban communities. The amendment to H. R. 11742, consisted of inserting the language of H. R. 12328, a similar bill. p. 13130
29. WHEAT. Passed without amendment S. 4221, to extend the period of the International Wheat Agreement until July 31, 1959. This bill is now ready for the President. p. 13161
30. FLOOD INSURANCE. Passed with amendments S. 3732, to provide insurance against flood damages. Adopted an amendment offered by Rep. Dies to require States to contribute one-half of the cost of the program after June 30, 1959, and an amendment by Rep. Dodd to authorize the Administrator to fix the premium on the loans as well as to establish the premium on the insurance. p. 13212
31. PERSONNEL. Rep. Lesinski discussed the administration of the Federal employees' loyalty-security program and inserted a statement by M. E. Markwood, of the NFEE, suggesting a revision of this system. p. 13242
Received from the Treasury Department a report on operations of Federal agencies in connection with the bonding of employees; to the Post Office and Civil Service Committee. p. 13255
32. FORESTRY. Received and agreed to the conference report on H. R. 5712, to provide that the U. S. hold in trust for the Pueblos of Zia and Jemez a part of the Ojo del Espiritu Santo Grant and a small area of public domain adjacent thereto (H. Rept. 2907). p. 13127
The Agriculture Committee reported with amendment H. R. 3436, to provide that sums paid to States from moneys received from national forests may be used

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out the portion of the bill dealing with the channeling of Government procurement contracts into distressed areas (p. 13314).

13. FOOD RESERVE. Sen. Martin, Iowa, inserted his statement relating to the establishment of an international food and raw materials reserve under the U. N. p. 13111
14. ASC COMMITTEES. Sen. Symington inserted and discussed correspondence with the Secretary concerning the operations of the Missouri State ASC Committee. p. 13119
15. RECLAMATION. Sen. Morse inserted correspondence from a local Chamber of Commerce regarding the size of farm units in the Columbia Basin project. p. 13282
16. RESEARCH. Sen. Mundt inserted a statement by Rep. Jensen, Iowa, and himself concerning the utilization of grain alcohol in the manufacture of fuel used for motor vehicles. p. 13283
17. HOUSING. Passed with amendment H. R. 11742, to extend and amend laws relating to the provision and improvement of housing and the conservation and development of urban communities, including provisions for farm housing loans and disposal of certain farm-labor camps. Conferees were appointed. p. 13294
18. FISHERIES. Sen. Neuberger inserted a telegram from a local outdoor group favoring S. 3275, the fisheries bill. p. 13322
19. FOREIGN AFFAIRS. Sen. Morse inserted an Oregon Farmer Union article, "Patton on Foreign Aid". p. 13283
Sen. Malone stated that free trade destroys American workingmen and investors. p. 13321
20. IMPORTS. The Finance Committee reported without amendment H. R. 12254, to provide additional time for the Tariff Commission to review the customs tariff schedules (S. Rept. 2780). p. 13069
21. EXECUTIVE PAY; RETIREMENT. The "Daily Digest" states that "Conferees, in executive session, agreed to file a conference report on the differences between the Senate-and House-passed versions of H. R. 7619, to adjust the rates of compensation of heads of executive departments and of certain other Federal officials". p. D884
22. TRANSPORTATION. The Interstate and Foreign Commerce Committee submitted a report, "Transportation Problems of Alaska and the Pacific Coast States" (S. Rept. 2802). p. 13070
23. LEGISLATIVE PROGRAM. Sen. Johnson announced that the Great Plains bill and Guar seed bills would be considered today (p. 13096). Agreed to waive the requirement that committee reports must lie over a day before being taken up (p. 13107).

AUTHORIZING SECRETARY OF COMMERCE TO SELL CERTAIN WAR-BUILT VESSELS

Mr. BONNER. Mr. Speaker, I ask unanimous consent for the immediate consideration of Senate Joint Resolution 177 to authorize the Secretary of Commerce to sell certain war-built vessels.

The Clerk read the title of the Senate joint resolution.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There being no objection, the Clerk read the Senate joint resolution, as follows:

Resolved, etc., That (a) notwithstanding the provisions of section 11 of the Merchant Ship Sales Act of 1946, as amended, and section 510 (h) of the Merchant Marine Act, 1936, as amended, the Secretary of Commerce is authorized to sell within 1 year after the enactment of this joint resolution to the highest responsible bidder who is a citizen of the United States, within the meaning of section 2 of the Shipping Act, 1916, as amended, for employment on essential trade routes 3 and 4 to Cuba and Mexico, any two war-built vessels under the jurisdiction of the Secretary of Commerce, on an as is, where is, basis, provided that the Secretary of Commerce shall determine before entering into such sales that the purchaser possesses the ability, experience, financial resources, and other qualifications necessary to enable it to operate and maintain the vessels in service on that portion of essential trade routes 3 and 4 between Atlantic coast ports of the United States and Cuba and Mexico and to maintain adequate service on such portion of such routes. The upset prices of the vessels shall be their sales prices computed under the Merchant Ship Sales Act of 1946, as of January 15, 1951, depreciated (after reduction for residual value) on a straight line basis for the period from January 15, 1951, to the date of execution of the contract of sale, on the basis of the portion of a 20-year useful life of the vessels remaining after January 15, 1951.

(b) Each such sale shall be on the basis of the payment by the purchaser of not less than 25 percent of the vessel sales price at the time of execution of the vessel sales contract, with the balance payable in approximately equal annual installments over the remainder of the economic life of the vessel, which economic life is to be determined by the Maritime Administration, with interest on the portion of the vessel sales price remaining unpaid at the rate of 3½ percent per annum. The obligation of the purchaser with respect to payment of such unpaid balance, with interest, shall be secured by a preferred mortgage on the vessels in form satisfactory to the Maritime Administrator.

(c) (1) Such sales shall be made upon such conditions as the Secretary of Commerce deems necessary to protect the interests of the United States.

(2) Vessels sold under this act shall be employed exclusively as dry cargo common carriers on that portion of essential trade routes 3 and 4 between Atlantic coast ports of the United States and Cuba and Mexico, until the end of their useful lives, as determined under subsection (b) of this act, or until they are replaced by new tonnage, whichever happens first. These restrictions shall run at law and in equity with the titles to the vessels and are binding upon all subsequent owners.

(d) Any contract of sale executed under authority of this act shall provide that in the event the United States shall, through pur-

chase or requisition, acquire ownership of any such vessel, the owner shall be paid therefor the value thereof, but in no event shall such payment exceed the actual depreciated sales price under such contract (together with the actual depreciated cost of capital improvements thereon); that in computing the depreciated acquisition cost of such vessel, the depreciation shall be computed on the vessel on the schedule adopted or accepted by the Secretary of the Treasury for income tax purposes as applicable to such vessel; that such vessel shall remain documented under the laws of the United States during the remainder of the economic life of the vessel or as long as there remains due the United States any principal or interest on account of the sales price, whichever is the longer period; and that the foregoing provisions respecting the requisition or the acquisition of ownership by the United States, and documentation shall run with the title to such vessel and be binding on all owners thereof.

The Senate joint resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

FARM LOAN PROGRAM

Mr. COOLEY. Mr. Speaker, I call up the conference report on the bill (H. R. 11544) to improve and simplify the credit facilities available to farmers, to amend the Bankhead-Jones Farm Tenant Act, and for other purposes, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

The Clerk read the statement.

(For conference report and statement, see proceedings of the House of July 21, 1956.)

The SPEAKER. The question is on the conference report.

The conference report was agreed to.

A motion to reconsider was laid on the table.

AMENDING THE WATERSHED PROTECTION AND FLOOD PREVENTION ACT

Mr. COOLEY. Mr. Speaker, I call up the conference report on the bill (H. R. 8750) to amend the watershed protection and flood prevention act, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

The Clerk read the statement.

(For conference report and statement, see proceedings of the House of July 24, 1956.)

The SPEAKER. The question is on the conference report.

The conference report was agreed to.

A motion to reconsider was laid on the table.

ESTABLISHMENT OF COMMISSION FOR THE CELEBRATION OF THE 100TH ANNIVERSARY OF THE BIRTH OF THEODORE ROOSEVELT

Mr. FRAZIER submitted the following conference report and statement on the bill (S. 3386) to amend the joint resolution entitled "Joint resolution to establish a commission for the celebration of the 100th anniversary of the birth of Theodore Roosevelt," approved July 28, 1955:

CONFERENCE REPORT (H. REPT. No. 2930)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 3386) to amend the joint resolution entitled "Joint resolution to establish a commission for the celebration of the one hundredth anniversary of the birth of Theodore Roosevelt," approved July 28, 1955, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House and agree to the same with an amendment as follows:

On line 8, strike out "\$461,000" and insert in lieu thereof "\$150,000"; and the House agree to the same.

JAMES B. FRAZIER, Jr.,
WILLIAM M. TUCK,
PATRICK J. HILLINGS,

Managers on the Part of the House.

JOSEPH C. O'MAHONEY,
PRICE DANIEL,
ARTHUR V. WATKINS,

Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 3386) to amend the joint resolution entitled "Joint resolution to establish a commission for the celebration of the one hundredth anniversary of the birth of Theodore Roosevelt," approved July 28, 1955, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

S. 3386 authorizes the appropriation of funds for the Theodore Roosevelt Centennial Commission. As it passed the Senate it carried an authorization of \$461,000. The House of Representatives amended S. 3386 to reduce this sum to \$100,000. The managers on the part of the House recommend that the total authorization for the Theodore Roosevelt Centennial Commission be \$150,000, the sum agreed upon by the conferees.

JAMES B. FRAZIER, Jr.,
WILLIAM M. TUCK,
PATRICK J. HILLINGS,

Managers on the Part of the House.

Mr. FRAZIER. Mr. Speaker, I call up the conference report on the bill (S. 3386) to amend the joint resolution entitled "Joint resolution to establish a Commission for the Celebration of the 100th Anniversary of the Birth of Theodore Roosevelt," approved July 28, 1955, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

The Clerk read the statement.

The SPEAKER. The question is on the conference report.

The conference report was agreed to.

A motion to reconsider was laid on the table.

AMENDMENTS TO PUBLIC LAW 480, 83D CONGRESS

Mr. COOLEY. Mr. Speaker, I call up the conference report on the bill (S. 3903) to amend the Agricultural Trade Development and Assistance Act of 1954, as amended, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

The Clerk read the statement.

(For conference report and statement, see proceedings of the House of July 24, 1956.)

The SPEAKER. The question is on the conference report.

The conference report was agreed to.

A motion to reconsider was laid on the table.

MRS. WARREN D. COOPER AND HER SON, TEDDY DEVERE COOPER

Mr. FORRESTER. Mr. Speaker, I offer a resolution (H. Con. Res. 269) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved by the House of Representatives (the Senate concurring), That in the enrollment of the bill (H. R. 8008) for the relief of Mrs. Warren D. Cooper and her son, Teddy Devere Cooper, the Clerk of the House is authorized and directed make the following correction:

On page 2, line 1 of the House engrossed bill, strike out the date "September 2, 1934" and insert "September 23, 1934"

The resolution was agreed to.

A motion to reconsider was laid on the table.

SAM H. RAY

Mr. FORRESTER. Mr. Speaker, I call up the conference report on the bill (H. R. 1637) for the relief of Sam H. Ray, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

The Clerk read the statement.

(For conference report and statement, see proceedings of the House of July 21, 1956.)

The SPEAKER. The question is on the conference report.

The conference report was agreed to.

A motion to reconsider was laid on the table.

CLERK HIRE OF MEMBERS OF THE HOUSE OF REPRESENTATIVES

Mr. THOMAS. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 12354) relating to clerk hire of Members of the House of Representatives.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

Mr. LECOMPTE. Mr. Speaker, reserving the right to object, does that just apply to districts with a population in excess of 500,000?

Mr. THOMAS. Yes; it has been so changed. That is all this applies to.

Mr. LECOMPTE. Does it apply to Resident Commissioners and Delegates?

Mr. THOMAS. If they have in excess of 500,000.

Mr. LECOMPTE. I withdraw my reservation of objection, Mr. Speaker.

Mr. PATTERSON. Mr. Speaker, further reserving the right to object, does that also apply to a Congressman at Large?

Mr. THOMAS. Yes.

Mr. LECOMPTE. All Congressmen at Large?

Mr. THOMAS. No, just those that have 500,000 or over.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That (a) the first sentence of section 11 (a) of the Legislative Appropriation Act, 1956 (69 Stat. 509; Public Law 242, 84th Cong.; 2 U. S. C. 60g-1), is amended by inserting immediately before the period at the end of such first sentence the following: "except that, in the case of each Member, Delegate, and Resident Commissioner the population of whose constituency is 500,000 or more, as currently estimated by the Bureau of the Census, such basic rate shall be increased by not to exceed \$2,500 per annum".

(b) The joint resolution entitled "Joint resolution providing for pay to clerks to Members of Congress and Delegates," approved January 25, 1923, as amended (2 U. S. C. 92), is amended by inserting immediately after "to be designated by each Member, Delegate, or Resident Commissioner" the following: "or, in the case of each Member, Delegate, and Resident Commissioner the population of whose constituency is 500,000 or more, as currently estimated by the Bureau of the Census, not to exceed the foregoing number increased by 1, to be designated by each such Member, Delegate, and Resident Commissioner, as the case may be."

(c) Applicable appropriations shall be available for the purposes of this act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MR. AND MRS. HERMAN E. MOSLEY

Mr. FORRESTER. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 1420) for the relief of Mr. and Mrs. Herman E. Mosley, as natural parents of Herman E. Mosley, Jr., with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Page 1, line 7, strike out "\$5,579.25" and insert "\$5,000."

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

PAUL H. SARVIS, SR.

Mr. FORRESTER. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 3062) for the relief of Paul H. Sarvis, Sr., with Senate amendments thereto and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 2, line 2, strike out all after "June 21," down to and including line 14 and insert "1953."

Page 2, after line 14, insert:

"SEC. 2. The acceptance of the sum authorized to be paid by the first section of this act by the said Paul H. Sarvis, Sr., shall constitute a sale by him to the Commodity Credit Corporation of all his right, title, and interest in and to such seed; and Paul H. Sarvis, Sr., shall not be liable for any transportation, loading, or warehouse storage charges which may have accrued on or after such date with respect to such 5,000 pounds of seed."

Page 2, after line 14, insert:

"SEC. 3. No part of the amount appropriated in this act shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000."

Amend the title so as to read: "An act for the relief of Paul H. Sarvis, Sr., and for other purposes."

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

Mr. MARTIN. Mr. Speaker, reserving the right to object, I assume these have been cleared with the minority members of the committee?

Mr. FORRESTER. I have been so advised, yes.

Mr. MARTIN. Mr. Speaker, that being so, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

CYRUS B. FOLLMER

Mr. FORRESTER. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 11207) for the relief of Cyrus B. Follmer, with a Senate amendment thereto, and concur in the Senate amendment.

AMENDMENT OF CERTAIN ADMINISTRATIVE PROVISIONS OF TARIFF ACT OF 1930—CONFERENCE REPORT

Mr. JOHNSON of Texas. Mr. President, I believe that the Senator from Virginia [Mr. BYRD] has a conference report on the customs simplification bill, House bill 6040. I ask that the report be submitted, so it may be considered by the Senate.

Mr. BYRD. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 6040) to amend certain administrative provisions of the Tariff Act of 1930 and to repeal obsolete provisions of the customs laws. I ask unanimous consent for the present consideration of the report.

The PRESIDING OFFICER. The report will be read for the information of the Senate.

The legislative clerk read the report.

(For conference report, see House proceedings of July 21, 1956, p. 12654, CONGRESSIONAL RECORD.)

The PRESIDING OFFICER. Is there objection to the present consideration of the report?

There being no objection, the Senate proceeded to consider the report.

Mr. BYRD. Mr. President, the Senate receded on only 1 amendment, and the House receded on 12. So the conference report is practically the bill as it was passed by the Senate. It is a unanimous report by the conferees.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was agreed to.

AMENDMENT OF AGRICULTURAL TRADE DEVELOPMENT AND ASSISTANCE ACT OF 1954—CONFERENCE REPORT

Mr. ELLENDER. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 3903) to amend the Agricultural Trade Development and Assistance Act of 1954, as amended, so as to increase the amount authorized to be appropriated for purposes of title I of the act, and for other purposes. I ask unanimous consent for the present consideration of the report.

The PRESIDING OFFICER. The report will be read for the information of the Senate.

The legislative clerk read the report.

(For conference report, see House proceedings of July 24, 1956, pp. 13056-13057, CONGRESSIONAL RECORD.)

The PRESIDING OFFICER. Is there objection to the present consideration of the report?

There being no objection, the Senate proceeded to consider the report.

Mr. ELLENDER. Mr. President, the conferees agreed unanimously on the provisions of the conference report. I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks an explanation of the differences between S. 3903 as passed by the Senate and the conference substitute therefor.

There being no objection, the explanation was ordered to be printed in the RECORD, as follows:

DIFFERENCES BETWEEN S. 3903 AS PASSED BY THE SENATE AND THE CONFERENCE SUBSTITUTE THEREFOR

1. The provision of S. 3903 (sec. 2) providing for the use of foreign currencies generated under title I for American schools, libraries, and community centers abroad has been modified in technical respects (1) to conform to changes made in Public Law 480 by the Mutual Security Act of 1956 and (2) to meet parliamentary objections in the House. No change in substance was made in this provision.

2. The Senate bill would have modified section 304 of Public Law 480 so as to restrict it to title I transactions and permit barter with Iron Curtain satellites. The House amendment would have modified it to make it clear that barter with such countries is prohibited. The conference substitute omits both the House and Senate provisions and leaves the law unchanged.

3. The conference substitute extends the famine and urgent relief provisions of title II to provide assistance in meeting extraordinary relief requirements, such as those for refugee relief, which may be extraordinary although no longer urgent.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was agreed to.

CREDIT FACILITIES AVAILABLE TO FARMERS—CONFERENCE REPORT

Mr. ELLENDER. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 11544) to improve and simplify the credit facilities available to farmers, to amend the Bankhead-Jones Farm Tenant Act, and for other purposes. I ask unanimous consent for the present consideration of the report.

The PRESIDING OFFICER. The report will be read for the information of the Senate.

The legislative clerk read the report. (For conference report, see House proceedings of July 21, 1956, pp. 12657-12658, CONGRESSIONAL RECORD.)

The PRESIDING OFFICER. Is there objection to the present consideration of the report?

There being no objection, the Senate proceeded to consider the report.

Mr. ELLENDER. Mr. President, the conferees were unanimous in their decision. I ask unanimous consent to have printed in the RECORD at this point an explanation of the differences between the conference substitute and the Senate amendment to House bill 11544.

There being no objection, the explanation was ordered to be printed in the RECORD, as follows:

DIFFERENCES BETWEEN THE CONFERENCE SUBSTITUTE AND THE SENATE AMENDMENT TO H. R. 11544

1. The House bill and the Senate amendment contained language restricting farm ownership and operating loans on less than family-size farms to bona fide farmers, but defined bona fide farmers somewhat differently. The conference substitute generally follows the House bill in this respect, but substitutes historical residence on a farm and historical dependence on farm income for dependence during 1 of the last 10 years on farm income.

2. The Senate amendment would have limited farm ownership refinancing loans on less than family-size farms to loans to refinance indebtedness constituting a lien on the farm. The conference substitute would permit such loans to refinance indebtedness incurred for any agricultural purpose.

3. The Senate amendment would have prohibited farm ownership or operating loans to borrowers able to obtain loans from other sources at "reasonable rates." The conference substitute leaves the existing law unchanged. Existing law prohibits such loans if obtainable elsewhere at prevailing rates but not in excess of 5 percent. The conferees felt the existing law to be adequate to assure that such loans will be restricted to other than the well-to-do farmers.

4. The Senate amendment would have permitted loans to be made on family-size farms having a value in excess of the average value of efficient family-size farms in the community. The conference substitute would permit improvement loans to be made for such farms, but not acquisition or enlargement loans.

5. The conference substitute would extend the economic emergency loan authority of Public Law 727, 83d Congress for 2 years and increase the overall limitation on such authority to \$65 million. The Senate amendment contained no similar provision, the Senate having previously passed S. 3559, to provide for a similar extension and to increase the limitation to \$50 million.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was agreed to.

AMENDMENT OF WATERSHED PROTECTION AND FLOOD PREVENTION ACT—CONFERENCE REPORT

Mr. KERR. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 8750) to amend the Watershed Protection and Flood Prevention Act. I ask unanimous consent for the present consideration of the report.

The PRESIDING OFFICER. The report will be read for the information of the Senate.

The legislative clerk read the report. (For conference report, see House proceedings of July 24, 1956, pp. 13055-13056, CONGRESSIONAL RECORD.)

The PRESIDING OFFICER. Is there objection to the present consideration of the report?

There being no objection, the Senate proceeded to consider the report.

Mr. KNOWLAND. Mr. President, was the conference report signed by all the conferees?

Mr. KERR. It was. I will say to the Senator from California that the provisions agreed upon in conference were substantially in line with the spirit of the bill as passed by the Senate.

There were three principal changes. First, the Senate bill had provided that in certain instances plans should be submitted to the Public Works Committees of the House and Senate. In the bill as

passed by the House, it was provided that the plans be referred to the Agriculture Committees of the House and Senate.

It was agreed in conference—and certain specifications were agreed upon—that when the plan was predominantly a flood control plan, it be referred to the Public Works Committee, and when it was predominantly an agricultural plan, it be referred to the Agriculture Committees.

An effort was made to make especially clear the intent of the language as provided by the Senate, which permitted the local organization to have the optional right of employing engineering services in connection with plans for development. Where the structure for the impounding of water exceeded 5,000 acre-feet—in other words, when it became a structure which involved a considerable part of the program in the matter of conservation of water for municipal water supplies or irrigation—the privilege of employing local engineering services was made optional.

The other point, as I recall, was to clarify the language in the bill which specified that help was available to the local organization from the Secretary of Agriculture, in the preparation of specifications for the plan. The employment of necessary assistance in preparing advertisements for bids and entering into contracts for carrying out the structure as planned, was provided for.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

Mr. AIKEN. Mr. President, let me say for the RECORD that both the Department of Agriculture and the Bureau of the Budget are opposed to this bill, although it was not generally known at the time it was passed by the Senate last Saturday morning.

Yesterday I had inserted in the RECORD, at page 12967, correspondence from these two agencies of the Government, setting forth their opposition to the bill.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was agreed to.

EXTENSION OF TIME WITHIN WHICH AWARDS OF CERTAIN MILITARY AND NAVAL DECORATIONS MAY BE MADE—CONFERENCE REPORT

Mr. STENNIS. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1637) to extend the time limit within which awards of certain military and naval decorations may be made. I ask unanimous consent for the present consideration of the report.

The PRESIDING OFFICER. The report will be read for the information of the Senate.

The legislative clerk read the report.

(For conference report, see House proceedings of today.)

The PRESIDING OFFICER. Is there objection to the present consideration of the report?

There being no objection, the Senate proceeded to consider the report.

Mr. STENNIS. Mr. President, the conference report is signed by all the conferees on the part of the Senate and the House.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was agreed to.

IMPROVEMENT OF HOUSING AND CONSERVATION AND DEVELOPMENT OF URBAN COMMUNITIES

Mr. FULBRIGHT. Mr. President, I ask that the Chair lay before the Senate a hand engrossed copy of House bill 11742, which has just come over from the House of Representatives.

The PRESIDING OFFICER. The Chair lays before the Senate a bill coming over from the House of Representatives.

The bill (H. R. 11742) to extend and amend laws relating to the provision and improvement of housing and the conservation and development of urban communities, and for other purposes, was read twice by its title.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. FULBRIGHT. Mr. President, I offer an amendment in the nature of a substitute. I ask that the amendment be printed in the RECORD at this point without reading.

The PRESIDING OFFICER. Without objection, the amendment may be printed in the RECORD at this point without reading.

The amendment offered by Mr. FULBRIGHT, in the nature of a substitute, was to strike out all after the enacting clause and insert:

Be it enacted, etc., That this act may be cited as the "Housing Amendments of 1956."

TITLE I—FHA INSURANCE PROGRAMS PROPERTY IMPROVEMENT LOANS

SEC. 101. (a) Section 2 (a) of the National Housing Act, as amended, is hereby amended by striking out "September 30, 1956," and inserting in lieu thereof "September 30, 1959."

(b) Section 2 (b) of such act, as amended, is amended by—

(1) striking out "made for the purpose of financing the alteration, repair, or improvement of existing structures exceeds \$2,500, or for the purpose of financing the construction of new structures exceeds \$3,000" and inserting "exceeds \$3,500";

(2) striking out "except that" in clause (2) and inserting "except that the Commissioner may increase such maximum limitation to 5 years and 32 days if he determines such increase to be in the public interest after giving consideration to the general effect of such increase upon borrowers, the building industry, and the general economy, and"; and

(3) striking out the first proviso and inserting in lieu thereof the following: "Provided, That no insurance shall be granted under this section (A) in the case of any obligation in a principal amount of \$2,500 or less, representing any loan, advance of credit, or purchase made after the effective date of the Housing Amendments of 1956, if such obligation has a financing charge in excess of an amount equivalent to \$5 discount per \$100 original face amount of a 1-year note to be paid in equal monthly installments calculated from the date of the note, or (B) in the case of any such obligation in a

principal amount in excess of \$2,500, if such obligation has a financing charge in excess of (i) an amount equivalent to \$5 discount per \$100 original face amount of a 1-year note to be paid in equal monthly installments calculated from the date of the note, with respect to that part of the principal amount not in excess of \$2,500, and (ii) an amount equivalent to \$4 discount per \$100 original face amount of a 1-year note to be paid in equal monthly installments calculated from the date of the note, with respect to that part of the principal amount which is in excess of \$2,500: *Provided further*, That such charges correctly based on tables of calculations issued by the Commissioner, or adjusted to eliminate minor errors in computations in accordance with requirements of the Commissioner, shall be deemed to comply with the preceding proviso: *And provided further*, That insurance may be granted to any such financial institution with respect to any obligation not in excess of \$15,000 (not an average amount of \$2,500 per family unit), having a maturity not in excess of 7 years and 32 days, representing any such loan, advance of credit, or purchase made by it if such loan, advance of credit, or purchase is made for the purpose of financing the alteration, repair, improvement, or conversion of an existing structure used or to be used as an apartment house or a dwelling for two or more families."

HAZARD INSURANCE ON FHA ACQUIRED PROPERTIES

SEC. 102. Title I of the National Housing Act, as amended, is hereby amended by adding at the end thereof the following new section:

"SEC. 10. Notwithstanding any other provision of law, the Commissioner is hereby authorized to establish a Fire and Hazard Loss Fund which shall be available to provide such fire and hazard risk coverage as the Commissioner, in his discretion, may determine to be appropriate with respect to real property acquired and held by him under the provisions of this act. For the purpose of operating such fund, the Commissioner is authorized in the name of the fund to transfer moneys and require payment of premiums or charges from any one or more of the several insurance funds established by this act and from the account established pursuant to section 2 (f) of this act, in such amounts and in such manner, including any repayments of such moneys, as the Commissioner, in his discretion, shall determine. In carrying out the authority created by this section, the Commissioner and the Fire and Hazard Loss Fund shall be exempt from all taxation, assessments, levies, or license fees now or hereafter imposed by the United States, by any Territory or possession thereof, or by any State, county, municipality, or local taxing authority. Moneys in the Fire and Hazard Loss Fund not needed for current operations of the fund shall be deposited with the Treasurer of the United States to the credit of the fund or invested in bonds or other obligations of, or in bonds or other obligations guaranteed as to principal and interest by, the United States or in bonds or other obligations which are lawful investments for fiduciary, trust, and public funds of the United States.

"Notwithstanding the provisions of this section, the Commissioner is authorized to purchase such other insurance protection as he may, in his discretion, determine, and he may further provide for reinsurance of any risk assumed by the Fire and Hazard Loss Fund."

COOPERATIVE HOUSING INSURANCE

SEC. 103. Section 213 (b) (2) of the National Housing Act, as amended, is amended by—

(1) striking out "65 percent" and inserting in lieu thereof "50 percent"; and

(2) amending the last proviso to read as follows: "And provided further, That for the purposes of this section the word 'veteran'

Public Law 962 - 84th Congress
Chapter 933 - 2d Session
S. 3903

AN ACT

All 70 Stat. 988.

To amend the Agricultural Trade Development and Assistance Act of 1954, as amended, so as to increase the amount authorized to be appropriated for purposes of title I of the Act, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 103 Commodity Credit Corp.
(b) of the Agricultural Trade Development and Assistance Act of 1954, as amended (Public Law 480, Eighty-third Congress), is 68 Stat. 456.
amended by striking out "\$1,500,000,000" and inserting in lieu thereof 7 USC 1703.
"\$3,000,000,000".

SEC. 2. Section 104 of the Act is amended by inserting after sub-7 USC 1704.
section (i) the following new subsection:

"(j) For providing assistance to activities and projects authorized
by section 203 of the United States Information and Educational
Exchange Act of 1948, as amended (22 U. S. C. 1448), but no foreign 62 Stat. 7.
currencies which are available under the terms of any agreement
for appropriation for the general use of the United States shall be
used for the purposes of this subsection (j) without appropriation
therefor."

SEC. 3. Sales of fresh fruit and the products thereof under title I
of the Act shall be exempt from the requirements of the cargo prefer-
ence laws (Public Resolution 17, Seventy-third Congress (15 U. S. C.
616a) and section 901 (b) of the Merchant Marine Act, 1936 (46 48 Stat. 500;
U. S. C. 1241 (b))) 68 Stat. 832.

SEC. 4. Section 201 of the Act is amended by inserting after the 7 USC 1721.
word "urgent" wherever it occurs in said section the words "or
extraordinary".

Approved August 3, 1956.

